

BILL ANALYSIS

Senate Research Center

S.B. 454
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Advanced meters and meter information networks have been deployed in over seven million homes in the Electric Reliability Council of Texas (ERCOT) region, providing customers with cost savings and operational benefits including enhanced energy management tools and faster outage response times. ERCOT utilities deployed these advanced metering systems by filing a deployment plan with the Public Utility Commission of Texas (PUC) that adhered to relevant PUC consumer protection rules, and then recovered the costs associated with the deployment through a surcharge authorized by the Texas Legislature.

Current law contains ambiguity as to whether the statute and PUC rules relating to the surcharge and customer protections would apply to non-ERCOT utilities like Southwestern Electric Power Company (SWEPCO) if it were to deploy advanced meters and meter information networks. The PUC has issued a legislative recommendation that their advanced metering rules be explicitly extended to all non-ERCOT utilities.

S.B. 454 clarifies that the surcharge and applicable customer protections adopted by PUC related to the deployment of advanced metering systems would also apply to SWEPCO. Specifically, the passage of S.B. 454 allows SWEPCO, if it chooses to deploy advanced meters and metering information networks, to do so in the same manner as authorized for ERCOT utilities and for Entergy Texas in 2017. This bill requires and ensures that a deployment plan approved by PUC for SWEPCO contains the same customer protections, data security provisions, and opt-out provisions provided by PUC for ERCOT utilities and for Entergy Texas.

As proposed, S.B. 454 amends current law relating to the deployment of advanced metering and meter information networks in certain areas outside of ERCOT.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter K, Chapter 39, Utilities Code, by adding Section 39.5021, as follows:

Sec. 39.5021. METERING. (a) Authorizes an electric utility subject to this subchapter (Transition to Competition For Certain Areas Outside of ERCOT) that elects to deploy advanced metering and meter information networks to recover reasonable and necessary costs incurred in deploying advanced metering and meter information networks, notwithstanding Section 39.502 (Cost-of-Service Regulation). Provides that an electric utility that elects to deploy advanced metering or meter information networks is subject to Public Utility Commission of Texas (PUC) rules adopted under Section 39.107(h) (relating to a nonbypassable surcharge for an electric utility) and (k) (relating to restrictions on an electric utility's use of certain information). Requires PUC to ensure that any deployment plan approved under this section and any related customer surcharge:

(1) are not applicable to customer accounts that receive service at transmission voltage; and

(2) are consistent with PUC rules related to advanced metering systems regarding customer protections, data security, privacy, and ownership, and options given consumers to continue to receive service through a non-advanced meter.

(b) Requires an electric utility subject to this subchapter that elects to deploy an advanced meter information network to deploy the network as rapidly as practicable to allow customers to better manage energy use and control costs.

SECTION 2. Effective date: upon passage or September 1, 2019.