

BILL ANALYSIS

C.S.H.B. 1101
By: Turner, Sylvester
Appropriations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Recent legislation eliminated the nonbypassable fee that funds the system benefit fund and provided a mechanism to exhaust the remainder of the fund by means of a significant increase in electricity discounts to low-income Texans during the summer months. While it was intended to end the fund on September 1, 2016, interested parties note, the Public Utility Commission of Texas has reported there is still money available to provide the discount. C.S.H.B. 1101 seeks to temporarily continue the system benefit fund to ensure that money in the fund is distributed for the purpose for which it was originally collected and to allow remaining money to benefit eligible low-income individuals.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1101 amends the Utilities Code to postpone from September 1, 2016, to September 1, 2017, the ending date of the period that began September 1, 2013, during which the Public Utility Commission of Texas (PUC) must set the nonbypassable system benefit fund fee at the amount of zero cents per megawatt hour. The bill expands the purposes for which money in the system benefit fund may be appropriated to include, for the 2017 state fiscal year if any money remains in the fund, a program established by the PUC to assist low-income electric customers by providing a reduced rate for the months of September 2016 through August 2017 in the manner prescribed by law regarding reduced electric rates for eligible customers at a rate the PUC determines is necessary to exhaust the system benefit fund. The bill changes the reduced rate provided by such a program for which money may be appropriated from the system benefit fund for the 2016 state fiscal year from a rate of up to 15 percent to the rate the PUC determines is necessary to exhaust the fund and changes the months for which the reduced rate may be provided during that fiscal year from September 2015 and May 2016 through August 2016 to September 2015 through August 2016. The bill postpones from September 1, 2016, to September 1, 2017, the expiration of statutory provisions relating to the system benefit fund and the elimination of its balance.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1101 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 39.903(m), Utilities Code, is amended.

SECTION 2. Section 39.9039, Utilities Code, is amended to read as follows:

Sec. 39.9039. ELIMINATION OF SYSTEM BENEFIT FUND BALANCE. (a) Notwithstanding Section 39.903(b), the commission shall set the nonbypassable system benefit fund fee at the amount of zero cents per megawatt hour for the period beginning September 1, 2013, and ending September 1, 2017 [~~2016~~].

(b) Notwithstanding Section 39.903(e), money in the system benefit fund may be appropriated:

(1) [~~for the state fiscal year beginning September 1, 2013, a program established by the commission to assist low income electric customers by providing a reduced rate for the months of September, 2013, and May through August, 2014, in the manner prescribed by Section 39.903(h) at a rate of up to 82 percent;~~

~~[(2)]~~ for the state fiscal year beginning September 1, 2014, to a program established by the commission to assist low-income electric customers by providing a reduced rate for the months of September, 2014, and May through August, 2015, in the manner prescribed by Section 39.903(h) at a rate of up to 15 percent;

~~(2)~~ [~~(3)~~] for the state fiscal year beginning September 1, 2015, to a program established by the commission to assist low-income electric customers by providing a reduced rate for the months of September, 2015, and May through August, 2016, in the manner prescribed by Section 39.903(h) at a rate of up to 33 [~~45~~] percent;

(3) for the state fiscal year beginning September 1, 2016, to a program established by the commission to assist low-income electric customers by providing a reduced rate for the months of September, 2016, and

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

SECTION 2. Section 39.9039, Utilities Code, is amended to read as follows:

Sec. 39.9039. ELIMINATION OF SYSTEM BENEFIT FUND BALANCE. (a) Notwithstanding Section 39.903(b), the commission shall set the nonbypassable system benefit fund fee at the amount of zero cents per megawatt hour for the period beginning September 1, 2013, and ending September 1, 2017 [~~2016~~].

(b) Notwithstanding Section 39.903(e), money in the system benefit fund may be appropriated:

(1) [~~for the state fiscal year beginning September 1, 2013, a program established by the commission to assist low income electric customers by providing a reduced rate for the months of September, 2013, and May through August, 2014, in the manner prescribed by Section 39.903(h) at a rate of up to 82 percent;~~

~~[(2)]~~ for the state fiscal year beginning September 1, 2014, to a program established by the commission to assist low-income electric customers by providing a reduced rate for the months of September, 2014, and May through August, 2015, in the manner prescribed by Section 39.903(h), at a rate of up to 15 percent;

~~(2)~~ [~~(3)~~] for the state fiscal year beginning September 1, 2015, to a program established by the commission to assist low-income electric customers by providing a reduced rate for the months of September, 2015, ~~[and May]~~ through August, 2016, in the manner prescribed by Section 39.903(h), at the [a] rate the commission determines is necessary to exhaust the system benefit fund [of up to 15 percent];

(3) for the state fiscal year beginning September 1, 2016, if any money remains in the fund, to a program established by the commission to assist low-income electric customers by providing a reduced rate for

May through August, 2017, in the manner prescribed by Section 39.903(h) at a rate the commission determines is necessary to exhaust the system benefit fund; and

(4) for customer education programs and administrative expenses incurred by the commission in implementing and administering this chapter.

(c) This section expires September 1, 2017 [~~2016~~].

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

the months of September, 2016, through August, 2017, in the manner prescribed by Section 39.903(h), at the rate the commission determines is necessary to exhaust the system benefit fund; and

(4) for customer education programs and administrative expenses incurred by the commission in implementing and administering this chapter.

(c) This section expires September 1, 2017 [~~2016~~].

SECTION 3. Same as introduced version.