

## **BILL ANALYSIS**

Senate Research Center  
82R9810 AJZ-F

S.B. 1434  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

As the overall budget of energy efficiency programs run by the electric utilities continues to increase, the percentage of money spent on targeted low-income energy efficiency programs continues to decrease. This is because the funding mechanism is outdated and obsolete. S.B. 1434 seeks to update this funding mechanism to more accurately reflect current needs so that funding for the targeted low-income energy efficiency programs is restored to at least 15 percent of a transmission and distribution utility's energy efficiency budget for the year.

Under Section 39.905 (Goal for Energy Efficiency), Utilities Code, both targeted and standard offer low-income energy efficiency program expenditures are based on 2003 levels of hard to reach programs. The Texas Department of Housing and Community Affairs is required to issue reports on demand savings, but is not required to participate in efficiency cost recovery factor (EECRF) proceedings.

S.B. 1434 amends Section 39.905, Utilities Code, by changing funding for targeted low-income programs from the base floor of 2003 funding levels to 15 percent of the utility's overall energy efficiency budget. The bill further requires the Public Utility Commission of Texas (PUC) to make a finding of fact that the utility meets all of its low-income program requirements in each annual EECRF proceeding. S.B. 1434 requires the state agency that oversees the federal weatherization assistance program (WAP) to participate in EECRF proceedings to assist PUC in its determination that utilities comply with the program requirements. Furthermore, the bill requires an annual report that summarizes, by utility, energy efficiency program cost, savings, number of participants, and the total number and percentage of WAP-eligible low-income customers. Lastly, the report compares energy and financial savings for program participants.

As proposed, S.B. 1434 amends current law relating to certain low-income weatherization programs.

### **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 Section 39.905, Utilities Code, by amending Subsection (f) and adding Subsection (f-1), as follows:

- (f) Requires the Public Utility Commission of Texas (PUC) to ensure that annual expenditures for the targeted low-income energy efficiency programs of each unbundled transmission and distribution utility are not less than 15 percent of the transmission and distribution utility's energy efficiency budget for the year. Requires PUC, in a proceeding to establish an energy efficiency cost recovery factor related to expenditures under this subsection, to make findings of fact regarding whether the utility meets requirements imposed under this subsection. Requires the state agency that administers the federal weatherization assistance program (agency) to participate in proceedings to establish an energy efficiency cost recovery factor related to expenditures under this subsection to ensure that targeted low-income weatherization programs are consistent

with federal weatherization programs and adequately funded. Deletes existing text providing that the total expenditures for both targeted and standard offer low-income energy efficiency programs will be based on the amount spent by the transmission and distribution utility on PUC's hard-to-reach program in calendar year 2003. Makes a conforming change.

(f-1) Requires PUC to issue and publish on PUC's Internet website an annual report that:

- (1) summarizes by utility the energy efficiency programs, including the costs and savings of each program;
- (2) identifies by utility the number of residences weatherized under the targeted weatherization program;
- (3) identifies the total number and percentage of low-income customers within each utility's service territory who are eligible for the targeted weatherization program;
- (4) compares, on a square-foot basis, the energy savings realized by each utility's low-income customers who receive energy efficiency services to the energy savings realized by other customers of the utility who receive energy efficiency services;
- (5) identifies each utility's average bill savings realized as a result of the program; and
- (6) identifies the cost of the program expressed as a percentage of the total cost of each utility's energy efficiency programs.

SECTION 2. Effective date: upon passage or September 1, 2011.