

BILL ANALYSIS

Senate Research Center
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S.B. 241
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Advanced meters, commonly known as "smart meters," are part of a larger network of smart grid technology that monitors the electric grid and can notify grid operators with energy information. The adoption of smart meters was encouraged by the 79th Legislature because of their potential to increase the reliability of the regional electrical network, encourage dynamic pricing and demand response, make better use of transmission assets, and provide more choices for consumers. Since this time, there has been a considerable amount of public concern over the potential health effects of smart meters. These concerns have not gone away over the course of industry installation and educational outreach, suggesting the need for further action.

S.B. 241 allows a consumer to "opt-out" of having a smart meter installed in their home. Under S.B. 241, an electric utility that deploys smart meters is required to send notice to its customers informing them of their ability to "opt-out" of installation. An electric utility that has already deployed smart meters is required to send notice to their customers informing them that they may choose to have their smart meter removed. S.B. 241 allows a utility to charge a customer a reasonable fee for costs associated with the refusal of installation and the cost to provide traditional metering services. However, S.B. 241 prohibits an electric utility from installing the meter against the customer's wishes and from charging the customer an unauthorized surcharge.

As proposed, S.B. 241 amends current law relating to the authority of an electric customer to choose not to have a utility's advanced meter.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 1 (Section 39.107, Utilities Code) and SECTION 2 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 39.107, Utilities Code, by adding Subsections (k), (l), and (m), as follows:

(k) Requires that an electric utility or transmission and distribution utility that receives from the Public Utility Commission of Texas (PUC) approval of the utility's plan for deploying advanced meters send by mail to each customer scheduled to receive an advanced meter under the plan a notice to inform the customer that the customer may decline to have the advanced meter installed and of the manner in which and date by which the customer must decline installation. Provides that if a customer timely declines to have the advanced meter installed, the utility may charge the customer a reasonable fee for costs associated with the refusal of installation and with providing traditional metering services, and may not install the meter or charge the customer the nonbypassable surcharge otherwise authorized by Subsection (h) (relating to requiring the commission to establish a nonbypassable surcharge to use to recover certain costs).

(l) Requires that an electric utility or transmission and distribution utility that has deployed advanced meters under a plan approved by PUC send by mail to each customer that is using installed advanced meter a notice to inform the customer that the customer may choose to have the meter removed and of the manner in which the customer must

choose removal. Provides that if the customer chooses to remove the advanced meter, the utility:

(1) shall remove the advanced meter; and

(2) may charge the customer a reasonable fee for costs associated with removing the advanced meter, installing a conventional meter, and providing traditional metering services.

(m) Requires PUC by rule to establish a mechanism for charging the fees authorized by Subsections (k) and (l). Requires that the amount of fee for a customer who declines to have an advanced meter installed be the same as that for a customer who chooses to remove an advanced meter. Requires PUC by rule to provide for a minimum period between the time a notice under Subsection (k) is mailed and the date by which a customer must decline installation.

SECTION 2. Requires PUC to adopt rules under Section 39.107(m), Utilities Code, as added by this Act, as soon as practicable following the effective date of this Act, but not later than January 1, 2014.

SECTION 3. Effective date: September 1, 2013.