

- SUBJECT:** Dedicating the system benefit fund
- COMMITTEE:** Appropriations — favorable, without amendment
- VOTE:** 20 ayes — Junell, West, Coleman, Gutierrez, Hamric, Heflin, Maxey, Puente, S. Turner, Allen, Farrar, Flores, Giddings, Hochberg, King, Luna, McReynolds, Pickett, Pitts, Smith
- 0 nays
- 7 absent — Delisi, Gallego, Glaze, Moreno, Mowery, Eiland, Janek
- WITNESSES:** For — Carol Biedrzycki, Texas Rate Payers Organization to Save Energy; *Registered but did not testify:* George Berasley, American Association of Retired Persons; Janee Briesemeister, Consumers Union; Randall Chapman, Texas Legal Services Center; Stella Rodriguez, Texas Association of Community Action Agencies
- Against — None
- On — Lane Lanford, Public Utility Commission
- BACKGROUND:** SB 7 by Sibley, restructuring the electric utility industry, created the system benefit fund to pay for programs to assist low-income electric customers, customer education programs, and a school funding-loss mechanism. The low-income programs will help reduce these customers' electric bills by 10 to 20 percent and finance residential energy-efficiency improvements. The customer education programs will inform consumers of what to expect under utility restructuring. The school funding-loss mechanism will compensate school districts for lost revenue due to property-wealth reductions related to restructuring — specifically, the expected declines in property values in districts whose jurisdictions include nuclear power plants. Money for the system benefit fund is to come from a fee assessed by the PUC on electric utilities subject to restructuring.
- DIGEST:** CSHB 1902 would establish the system benefit fund as a dedicated account in the general revenue account. The bill would authorize, rather than require, money from the fund to be appropriated to low-income assistance programs,

customer education programs, the school funding loss mechanism, and administrative expenses.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

**SUPPORTERS
SAY:**

HB 1902 would establish the system benefit fund as a dedicated account in the general revenue fund. SB 7 originally established the fund as a trust fund with the comptroller. However, the funds consolidation bill from the 76th Legislature designated the fund as a general revenue account, allowing its unobligated and unexpended balances to lapse into the general revenue fund to be used for general state purposes. The bill would ensure that money in the fund was appropriated to purposes for which it was established.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The bill would not appropriate any new funds but would have a \$362.5 million negative fiscal impact on general revenue related funds for the biennium because the dedicated fund no longer would be available for general appropriation.