HOUSE RESEARCH ORGANIZATION bill analysis

4/28/2009

SUBJECT:	Requiring certain website information on electric bills
COMMITTEE:	State Affairs — committee substitute recommended
VOTE:	12 ayes — Solomons, Menendez, Craddick, Farabee, Gallego, Geren, Hilderbran, Jones, Lucio, Maldonado, Swinford, S. Turner
	3 nays — Cook, Harless, Oliveira
WITNESSES:	For — (<i>Registered, but did not testify:</i> Carol Biedrzycki, Texas Ratepayers Organization to Save Energy; Kristin Doyle, Cities Aggregation Power Project, South Texas Aggregation Project, Texas Coalition of Cities for Utility Issues; Matthew Johnson, Public Citizen; Carl Richie, TXU Energy)
	Against — (<i>Registered, but did not testify:</i> Michael Jewell, Association of Electric Companies of Texas (AECT))
	On — John Fainter, AECT; (<i>Registered, but did not testify:</i> Shawnee Claiborn-Pinto, Public Utility Commission; Catherine Webking, Texas Energy Association for Marketers)
BACKGROUND:	SB 7 by Sibley, enacted in 1999, calls for the introduction of customer choice in the retail electricity market. The Public Utility Commission developed the Texas Electric Choice website powertochoose.com, which provides information about electric competition in Texas and helps electric customers make informed decisions about electricity service and retail electric providers (REPs).
DIGEST:	CSHB 1799 would amend the Utilities Code by requiring REPs to include on the first page of each residential customer's bill, in at least 12-point font, a statement that reads: "For more information about residential electric service please visit www.powertochoose.com."
	This requirement would expire September 1, 2011.
	The bill would take effect September 1, 2009.

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SUPPORTERS SAY:	Including information about the power-to-choose website on residential electric bills would educate and serve as a reminder to electric customers that they can take advantage of competition. This is a pro-free market bill that would force competitors to keep prices low or risk losing their customers.
	Texans have struggled with high electric costs under plans that may not be ideal for their situations. CSHB 1799 would keep electric customers informed of the changing market and give them the tools to select the electric provider and plan that will best meet their needs and budget.
OPPONENTS SAY:	While it is important to inform customers about electric competition in Texas, it would be unreasonable and not consistent with competitive markets to require a REP to provide information that could encourage customers to change electric service providers. This essentially would be advertising for one's competitors.
	Billing space is limited and already requires a significant number of components. Simplicity in billing is important to avoid consumer confusion.
NOTES:	The substitute differs from the bill as filed by:
	 specifying residential customers; requiring 12-point font rather than 14-point font; and providing an expiration date for the requirement of September 1, 2011.