

Interest-Bearing Deposit Accounts to Credit Low-Income Customers Against Advanced Metering Charges

HB 2305 by Rep. Sylvester Turner

AECT Position: Amend

Proposal

- HB 2305 would require the Public Utility Commission of Texas (PUC) to adopt and enforce rules requiring retail electric providers (REPs) to establish a customer deposit fund as an interest-bearing trust fund.
- Interest collected from the deposits would be credited to low-income customers against any nonbypassable surcharge used for advanced metering systems.

AECT Position

- AECT supports ensuring that customers' deposits are returned when they leave a REP or when a REP leaves the market, except for amounts needed to pay any remaining unpaid balance with the REP. Moreover, REPs currently return deposits to customers with interest.
- AECT is concerned that the trust fund mechanism described in HB 2305 will be too cumbersome for daily receipt and disbursements of deposit funds.
- The issue is being addressed at the PUC, which has proposed additional protections for customer deposits in its REP certification rulemaking (Project No. 35767). The proposed rules would require keeping deposits in a segregated cash account, escrow, or maintaining a letter of credit to fully back the deposits. Only REPs meeting a certain financial standard would be allowed to keep deposits in a segregated cash account.
- Regarding low-income benefits, AECT believes the most appropriate mechanism would be through the System Benefit Fund (SBF). AECT supports full, year-round funding of the SBF for its intended purposes, including assistance to low-income electric customers, customer education and improved energy efficiency.