



Ensuring Remaining System Benefit Fund Balance is Disbursed to Eligible Customers

AECT Position: Support

HB 1101 by Sylvester Turner

Proposal

- HB 1101 would allow the PUC to use the remaining balance of the System Benefit Fund (SBF) for its intended purpose by extending funding for a low-income discount for eligible customers in the competitive electric market through August 2017.
 - In September 2015 and May through August 2016, low-income customers would receive up to a 33 percent discount off their electric bills.
 - For the months of September 2016 and May through August 2017, the low-income discount rate will be set by the PUC at a level to fully use the remaining SBF balance.

AECT Supports the Use of the SBF Balance for a Low-Income Discount

- AECT has long supported the use of the SBF for its primary purpose: to provide assistance to low-income electric customers.
 - The SBF initially provided funding for a year-round rate discount of 10-20 percent, as well as for energy efficiency and customer education. The discount was suspended in 2005. Beginning 2007, the discount was reinstated for the months of May-September only at a rate set by the PUC.
 - The fees that funded the SBF were typically greater than the annual expenditures on the low-income discount. The 83rd Legislature decided to discontinue collection of the SBF fees, and sunset the low-income discount using the SBF's accumulated balance to fund it through August 2016.
 - Below-average summer temperatures and lower-than-expected enrollments resulted in significantly lower SBF expenditures and concern that the low-income discount may not fully utilize the remaining SBF funds before sunseting in August 2016.
 - The SBF balance is currently projected to be about \$247 million when the program expires in September 2016. HB 1101 would intend to use the entirety of the fund, concluding the SBF program.

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