

By: Hernandez, Hunter, Thompson, Darby,  
Moody

H.B. No. 1359

Substitute the following for H.B. No. 1359:

By: Y. Davis of Dallas

C.S.H.B. No. 1359

A BILL TO BE ENTITLED

AN ACT

relating to a program to provide assistance for certain retail  
electric customers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 17.007, Utilities Code, is amended by  
amending Subsection (a) and adding Subsection (e) to read as  
follows:

(a) The Health and Human Services Commission, on request of  
the commission, shall assist in:

(1) developing an automatic process for identifying  
low-income customers to retail electric providers, electric  
utilities that issue bills directly to customers, and certificated  
telecommunications utilities to enable those providers and  
utilities to offer customer service, discounts, bill payment  
assistance, or other methods of assistance; and

(2) implementing Section 39.9035.

(e) Subsection (d) does not apply in a state fiscal biennium  
in which money is available under Section 39.9035 for the process  
established by this section.

SECTION 2. Section 39.002, Utilities Code, is amended to  
read as follows:

Sec. 39.002. APPLICABILITY. This chapter, other than  
Sections 39.151, 39.1516, 39.155, 39.157(e), 39.161, 39.162,  
39.163, 39.203, 39.9035, 39.9051, 39.9052, and 39.914(e), and

1 Subchapters M and N, does not apply to a municipally owned utility  
2 or an electric cooperative. Sections [39.157\(e\)](#), ~~[and]~~ [39.203](#), and  
3 [39.9035](#) apply only to a municipally owned utility or an electric  
4 cooperative that is offering customer choice. If there is a  
5 conflict between the specific provisions of this chapter and any  
6 other provisions of this title, except for Chapters [40](#) and [41](#), the  
7 provisions of this chapter control.

8 SECTION 3. Section [39.402\(a\)](#), Utilities Code, is amended to  
9 read as follows:

10 (a) Until the date on which an electric utility subject to  
11 this subchapter is authorized by the commission to implement  
12 customer choice, the rates of the utility shall be regulated under  
13 traditional cost of service regulation and the utility is subject  
14 to all applicable regulatory authority prescribed by this subtitle  
15 and Subtitle A, including Chapters [14](#), [32](#), [33](#), [36](#), and [37](#). Until  
16 the date on which an electric utility subject to this subchapter  
17 implements customer choice, the provisions of this chapter, other  
18 than this subchapter, Sections [39.1516](#), [39.9035](#), and [39.905](#), and  
19 the provisions relating to the duty to obtain a permit from the  
20 Texas Commission on Environmental Quality for an electric  
21 generating facility and to reduce emissions from an electric  
22 generating facility, shall not apply to that utility. That portion  
23 of any commission order entered before September 1, 2001, to comply  
24 with this subchapter shall be null and void.

25 SECTION 4. Section [39.452\(d\)](#), Utilities Code, is amended to  
26 read as follows:

27 (d) Until the date on which an electric utility subject to

1 this subchapter implements customer choice:

2 (1) the provisions of this chapter do not apply to that  
3 electric utility, other than this subchapter, Sections [39.1516](#),  
4 [39.9035](#), and [39.905](#), the provisions relating to the duty to obtain a  
5 permit from the Texas Commission on Environmental Quality for an  
6 electric generating facility and to reduce emissions from an  
7 electric generating facility, and the provisions of Subchapter G  
8 that pertain to the recovery and securitization of hurricane  
9 reconstruction costs authorized by Sections 39.458-39.463; and

10 (2) the electric utility is not subject to a rate  
11 freeze and, subject to the limitation provided by Subsection (b),  
12 may file for rate changes under Chapter [36](#) and for approval of one  
13 or more of the rate rider mechanisms authorized by Sections [39.454](#)  
14 and [39.455](#).

15 SECTION 5. Section [39.502](#)(b), Utilities Code, is amended to  
16 read as follows:

17 (b) Until the date on which an electric utility subject to  
18 this subchapter implements customer choice, the provisions of this  
19 chapter, other than this subchapter and Sections [39.1516](#), [39.9035](#),  
20 and [39.905](#), do not apply to that utility.

21 SECTION 6. Section [39.552](#)(b), Utilities Code, is amended to  
22 read as follows:

23 (b) Until the date on which an electric utility subject to  
24 this subchapter implements customer choice, the provisions of this  
25 chapter, other than this subchapter and Sections [39.1516](#), [39.9035](#),  
26 and [39.905](#), do not apply to that utility.

27 SECTION 7. Subchapter [Z](#), Chapter [39](#), Utilities Code, is

amended by adding Section 39.9035 to read as follows:

Sec. 39.9035. INCOME-BASED ASSISTANCE FUND. (a) In this section:

(1) "Electric utility" means an electric utility that issues a bill directly to a retail customer.

(2) "Extreme weather emergency" has the meaning assigned by Section 39.101.

(3) "Fund" means the income-based assistance fund.

(b) The income-based assistance fund is an account in the general revenue fund. Money in the account may be appropriated only for the purposes provided by this section or other law.

(c) The fund consists of:

(1) money appropriated, credited, transferred, or deposited to the credit of the fund by the legislature;

(2) gifts, grants, or donations made to the fund; and

(3) interest or other earnings attributable to the investment of money in the fund.

(d) Money in the fund may be appropriated to the commission and used to provide funding only for the following purposes, in the following order of priority:

(1) programs to:

(A) assist low-income electric customers by making available the bill payment assistance described by Subsection (f); and

(B) provide one-time bill payment assistance as described by Subsection (k) to critical care residential customers, as defined by Section 17.002, who have received notice of an

1 impending service disconnection for nonpayment;

2 (2) customer education that provides information on  
3 other assistance programs;

4 (3) administrative expenses incurred by the  
5 commission in implementing and administering this chapter and  
6 expenses incurred by the office under this chapter; and

7 (4) reimbursement to the commission and the Health and  
8 Human Services Commission for expenses incurred in the  
9 implementation and administration of the automatic identification  
10 process established under Section 17.007 for customer service  
11 discounts relating to retail electric service, including outreach  
12 expenses the commission determines are reasonable and necessary.

13 (e) The commission shall adopt rules regarding programs to  
14 assist low-income electric customers.

15 (f) Programs adopted under Subsection (e) must include a  
16 retail electric service bill payment assistance program for  
17 low-income electric customers for bills due during an extreme  
18 weather emergency that the commission implements periodically as  
19 money is made available in the fund for the purpose of making the  
20 reimbursements authorized under Subsection (g).

21 (g) Using money from the fund, the commission shall provide  
22 reimbursement for an electric cooperative, a municipally owned  
23 utility, an electric utility, or a retail electric provider that  
24 provides bill payment assistance under Subsection (f) for the  
25 amount of bill payment assistance provided to eligible customers.  
26 The commission shall adopt rules providing for the reimbursement.

27 (h) The commission by rule shall adopt eligibility criteria

1 for the bill payment assistance program required under Subsection  
2 (f). The criteria must provide that a customer is eligible for bill  
3 payment assistance if the customer:

4 (1) is identified by the Health and Human Services  
5 Commission as a low-income customer under Section 17.007; and

6 (2) resides in a county affected by an extreme weather  
7 emergency during the billing period for which the assistance is  
8 sought.

9 (i) The commission by rule shall prescribe methods of  
10 enrolling customers eligible to receive bill payment assistance for  
11 bills due during an extreme weather emergency under Subsection (f)  
12 that:

13 (1) are compatible with the automatic identification  
14 process established under Section 17.007; and

15 (2) provide for automatic enrollment as one enrollment  
16 option for customers that have been identified as low-income  
17 customers under Section 17.007.

18 (j) A retail electric provider or electric utility may not  
19 charge the customer a fee for receiving bill payment assistance  
20 under this section.

21 (k) Programs adopted under Subsection (e) must include a  
22 bill payment assistance program as described by Subsection  
23 (d)(1)(B) that the commission implements periodically as money is  
24 made available in the fund for the purpose of making the  
25 reimbursements authorized under this subsection. The commission  
26 may prescribe the documentation necessary to demonstrate  
27 eligibility for the assistance and may establish additional

eligibility criteria. The Health and Human Services Commission, on request of the commission, shall assist in the adoption and implementation of these rules. The commission shall provide reimbursement from the fund for each electric cooperative, municipally owned utility, electric utility, or retail electric provider that provides bill payment assistance under this subsection for the amount of the bill payment assistance provided to eligible customers. The commission shall adopt rules providing for the reimbursement.

SECTION 8. Section 40.001(a), Utilities Code, is amended to read as follows:

(a) Notwithstanding any other provision of law, except Sections 39.155, 39.157(e), ~~and~~ 39.203, and 39.9035, this chapter governs the transition to and the establishment of a fully competitive electric power industry for municipally owned utilities. With respect to the regulation of municipally owned utilities, this chapter controls over any other provision of this title, except for sections in which the term "municipally owned utility" is specifically used.

SECTION 9. Section 41.001, Utilities Code, is amended to read as follows:

Sec. 41.001. APPLICABLE LAW. Notwithstanding any other provision of law, except Sections 39.155, 39.157(e), ~~and~~ 39.203, and 39.9035, this chapter governs the transition to and the establishment of a fully competitive electric power industry for electric cooperatives. Regarding the regulation of electric cooperatives, this chapter shall control over any other provision

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1 of this title, except for sections in which the term "electric  
2 cooperative" is specifically used.

3 SECTION 10. This Act takes effect September 1, 2025.