



Don't Ruin the Texas Electricity Market

HB 2133 gives the PUC the ability to “order disgorgement of all excess revenue resulting from [a] violation ... of the statutes, rules, or protocols relating to wholesale electric markets.” While this may sound reasonable, there are significant problems with disgorgement.

Disgorgement would be a significant expansion of the PUC’s authority over the electricity market and a major reversal of almost two decades of public policy of the state of Texas.

There is no evidence of anti-competitive behavior in the Texas electricity market that would justify this level of increased regulation. In fact, our favorable regulatory climate has made Texas the most competitive electricity market in the U.S., bringing billions of dollars of investment, new jobs, and lower electricity prices.

The major shift toward more regulation in HB 2133 would put the competitiveness and economic benefits of the Texas electricity market at risk.

Texas’ healthy economic climate would be at risk because disgorgement is the type of regulatory feature that we’d be likely to find in California or New York. And in those states, electricity prices are much higher than in Texas:

State	Avg. Price (kWh)
Texas (ERCOT)	9.76¢
California	14.3¢
New York	17.4¢

We don’t want Texas to become like California or New York.

Don’t make the Texas electricity market a shell of its former self.