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Study Finds Decline in Reliability and Affordability Caused by Politicization of the Texas Electricity Market

Renewable energy subsidies and price interventions have led the decline

AUSTIN, TEXAS [July 14, 2022] — The Energy Alliance today released a new study, [The Decline and Fall of Reliability, Affordability, and Competition in ERCOT](#), that explains the connection between political interference and the decline in generation adequacy and reliability in the Texas grid.

"In response to the Texas' blackouts, Texas politicians and regulators have undertaken a restructuring of the Texas electricity market," said Bill Peacock, the study's author and policy director of the Energy Alliance. "The restructuring ignores the role that previous political interventions in the market played in the blackouts and Texas' more recent grid reliability problems."

Rather than address the harm being done to the Texas grid by federal, state, and local renewable energy subsidies, state leaders, the Texas Legislature, and regulators are moving away from competition in Texas' world-class energy-only market and pushing for a de facto capacity market in Texas, an outcome that subsidy-seeking generators have been promoting for over a decade.

"The direction Texas is taking now will line generators' pockets with billions of dollars each year with consumers paying the cost through higher electricity prices," said Peacock.

"The greatest danger that the Texas grid faces now is the political establishment's unwillingness to challenge the push for subsidies by generators and the renewable energy industry," Peacock added. "If this continues, Texas will lose what is left of its competitive energy-only market. Yet the possibility of restoring reliability, affordability, and competition to ERCOT remains. All Texas has to do is let the market work."

<https://www.theenergyalliance.com/research/decline-fall-reliability-affordability-competition-ercot>

The [Energy Alliance](#) is a project of the [Texas Business Coalition](#) to raise awareness of issues about the energy market that matter most to consumers: Reliability, Affordability, and Efficiency.

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