



FOR IMMEDIATE RELEASE

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Residential and Business Consumers Unite! Texans Demand Firm Caps on Performance Credit Mechanism Tax to Protect Electricity Ratepayers

Without a meaningful cap, PCM represents a multi-billion-dollar blank check to generators with no guarantee of increased capacity or improved reliability.

AUSTIN – Organizations representing electricity consumers statewide are demanding a meaningful cap on the proposed Performance Credit Mechanism scheme that will impose billions of dollars in increased costs for Texas consumers if left uncapped. The PCM offers no guarantee of increased capacity or improved reliability and lacks consumer protections and spending oversight.

Why Texas consumers are demanding a firm cap on the PCM:

“Everyday Texans should not have to pay astronomical utility bills to keep the lights on and the electricity running in homes. Rising utility costs are seriously pinching older Texans and other households on tight incomes. Enough is enough when it comes to higher and rising electricity and gas bills.

“To protect residential customers’ financial interests, AARP Texas believes a proposed Performance Credit Mechanism scheme under consideration in the Texas Legislature must include a firm and reasonable cost cap to limit how much consumers are impacted by any changes in the electricity market.

“Modifications to electricity market policy that fail to adequately protect the financial interests of residential customers is not serious reform that AARP Texas can support.”

– Tina Tran, AARP Texas Director

“The PCM is a costly, unnecessary tool that will provide billions in profits to the very generators who failed Texans during Winter Storm Uri. This unproven model has the potential to add billions to the market, and without a firm cost cap, it threatens to significantly increase prices on all consumers without meaningfully improving reliability. Any implementation of the PCM must

include strong guardrails to ensure reliability and cost efficiency standards for both business and residential customers.”

– ***Tony Bennett, President & CEO, Texas Association of Manufacturers***

“Enough is enough. Over the last two years, the PUCT, and ERCOT have made decisions that have increased the costs for ancillary services, increased out-of-market Reliability Unit Commitments paid to generators, and significantly increased costs in the market through a new price-adder ‘bridge-solution’ that increase costs by at about \$500 million. Electric consumers are paying the price. Now those entities are working with our largest generators who would like to impose an unfettered Performance Credit Mechanism that will chiefly benefit existing generators with no guarantee that it will lead to new generation. They are actively trying to convince the Legislature they need a \$9 to \$12 billion electricity tax to guarantee the lights stay on. The legislature should reject this greedy electric revenue grab that will hurt large and small consumers and continue to impose cost caps and guardrails on the electricity tax. In addition, we call on the legislature to pass bills that will enable residential consumers to have access to energy saving programs like demand response, and energy efficiency that could be implemented for a fraction of the cost of a PCM supported by the big generators.”

– ***Cyrus Reed, Conservation Director, Sierra Club, Lone Star Chapter***

“Our industry and residential electricity customers have grave concerns about the proposed PCM. The PCM will add billions in costs to all electricity customers without a meaningful improvement in reliability. Unless a firm cost cap is implemented, the PCM will result in skyrocketing electric bills and adversely affect the Texas economy. The Texas Legislature must act this session to protect Texas consumers.”

– ***Hector Rivero, President, Texas Chemical Council***

"The PCM, even with the ‘guardrails’ proposed by the Texas Legislature, is not a solution to ensure reliability of the ERCOT grid but is instead a fundamentally flawed policy that rejects Texas' successful competitive energy market in favor of a new form of capacity market with no guarantee for new generation."

– ***Matt Welch, Conservative Texans for Energy Innovation***

“I don’t believe any legislator wants to see a giant electricity tax imposed on their voters. Homeowners and businesses are demanding protections. Consumers want to know what this new scheme is going to cost and no one is being transparent. By adopting meaningful cost caps on a new and untested program, all Texans can have confidence their legislator fought for the best deal possible. Without cost caps, it’s a blank check to power generators paid for by all ratepayers. There is a better way, and the legislature must pass legislation with a firm cost cap to protect consumers.”

– ***Todd Staples, President, Texas Oil and Gas Association***

“Rayburn Electric Cooperative has serious concerns about the financial burden that will be placed on Texas electric consumers with an unrestrained and undeveloped PCM. Rayburn cannot support PCM without a reasonable cost cap and a thorough evaluation of the costs, benefits, and effects on the ERCOT Market and consumers prior to approval of the program.”

– *David Naylor, President/CEO Rayburn Electric Cooperative*

“The Texas Energy Buyers Alliance supports a PCM that has guardrails and a real cost cap, and that includes all forms of dispatchable energy. Texas needs a fast, stable, and affordable path to reliability that incentivizes the wide range of generation sources that will power the state’s future. A limit on costs creates certainty for consumers, ensures transparency, and protects the state’s economy.”

– *Texas Energy Buyers Alliance (txenergybuyers.com)*

“The PCM is an untested proposal that will cost residential consumers billions of dollars without the assurance of success for reliability or new generation. If the PUC continues to move forward with this experimental market construct, Texans need a cost cap to maintain control of the constantly increasing electricity bills.”

– *Sandra Haverlah, President, Texas Consumer Association*

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