

Restricting Energy Resource Competition Could Increase Electricity Costs for Texas Households and Businesses

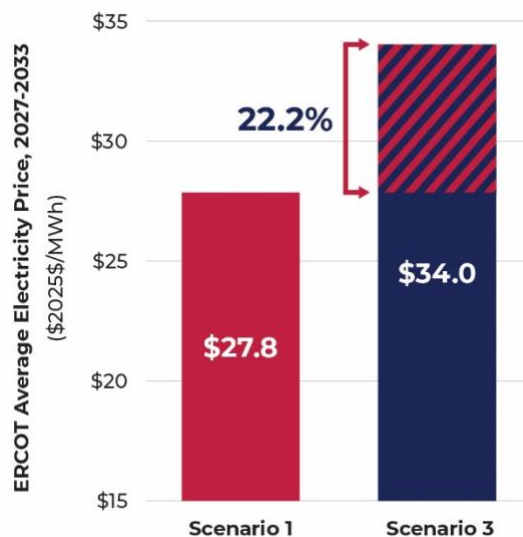
Fact Sheet

Texas' economic future depends on access to reliable, affordable electricity. Our state's rapid increase in population and corporate investment has resulted in the need for both modernized and expanded transmission infrastructure *and* generation to meet projected demand growth from new and expanding economic sectors. Without these investments, Texas' economic leadership is at risk.

With big implications for adding much-needed new generation, a [new study](#) from the Corporate Energy Buyers Association shows that constraining new solar and wind resources could significantly increase energy costs for households and businesses compared to scenarios where all resources compete on economics. ERCOT could see the [greatest percentage increase](#) in average electricity prices among U.S. modeled regions.

Key Report Takeaways:

- Texas households served by ERCOT could see a more than **22% increase in average electricity costs** beginning in 2027 through 2033, if new solar and wind resources are not allowed to compete.
- ERCOT could see **\$21 billion in additional electricity generation costs** economy-wide over the modeled seven-year period, or \$3 billion annually — a \$1 billion increase for households and a \$2 billion increase for commercial and industrial customers annually.
- Nationwide, constraining new solar and wind resources could conservatively cost the U.S. an additional **\$121.2 billion in electricity generation and natural gas costs** over the modeled period compared to scenarios where wind and solar can compete economically.
- The study also found that the average U.S. electricity cost to produce a megawatt-hour of power could be **up to 6.1% higher** (2027-2033). In other words, constraining new solar and wind resources is like adding one extra year of inflation to electricity prices.



All modeled scenarios added new natural gas generation, which has its own implications for consumer costs due to fuel price volatility. [Other studies](#) have shown natural gas costs to be among the biggest factors in electricity price increases in recent years.

Solution: To ensure lower-cost, reliable electricity for all Texans and power the state's economic growth, all generation technologies must be allowed to compete in Texas — without additional state-level siting or permitting restrictions.

The Texas Energy Buyers Alliance (TEBA) is a business trade association that activates a community of energy customers and partners to advance reliable, affordable, clean energy for Texas. TEBA is a state chapter of the Corporate Energy Buyers Association. TEBA's members include more than 200 companies that have more than \$34 trillion in market capitalization as well as thousands of facilities and hundreds of thousands of employees across Texas. For more information, visit txenergybuyers.org.