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2023 Government-Imposed Cost of Texas Electricity: \$20 Billion

Over the last decade, government-imposed costs added \$84.3 billion to Texans' electricity bills

AUSTIN, TX (07/17/24) — A [newly released paper](#) by the Energy Alliance, *The Government-Imposed Cost of Electricity in Texas*, shows that in 2023 the U.S. government, Texas' state government, and Texas local governments increased the cost of electricity in the area served by the Electric Reliability Council of Texas (ERCOT) by \$19.9 billion.

"The massive increase in subsidies has done nothing to address the primary cause of unreliability in the Texas market, renewable energy," said Bill Peacock, the report's author. "All it has done is to make electricity more expensive for Texans."

The \$19.9 billion represented 42.7% of the total cost of electricity to Texans in ERCOT last year. Over the last 10 years, the total government imposed cost of electricity in ERCOT was \$84.3 billion. Of that amount, Texas state and local governments are responsible for 85.7% of the total.

"Continuous subsidies for renewable energy have compromised grid reliability and increased costs," said Peacock. "Eliminating all subsidies, instead of increasing them, is the only path toward a reliable, affordable supply of electricity for Texans."

The higher energy costs have been passed along to Texas businesses and consumers in the form of higher energy prices, higher general prices, higher taxes, lower wages, and lower profits for Texans. Except for wages and profits in the energy industry. For instance, the latest data show April Texas electricity residential prices are 14.57 cents per kilowatt hour, up 23% over the last three years. Texas wholesale prices are also up. In the five years prior to 2019, wholesale prices averaged \$31.18 per megawatt hour. Since then, as subsidies increased, prices averaged \$76.14.

The Government-Imposed Cost of Electricity in Texas [can be found here](#).

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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