The views expressed in this presentation are the views of the presenter and not STREAM, the Retail Energy Supply Association (RESA), the Texas Electricity Association for Marketers (TEAM) or their respective members or employees.
Steps to Opening the Retail Electric Market in Texas

- **May 1995**: Wholesale competition legislation passed (SB 373)
- **June 1999**: ERCOT Electric rates frozen
- **Sept. 1999**: ERCOT Electric rates program begins
- **June 2001**: Texas Choice begins in ERCOT
- **July 2001**: Jan. 2002
- **Jan. 2005**: Affiliate REP's allowed to offer non-price-to-beat prices
- **Jan. 2007**: End of price-to-beat

Source: www.aect.net
Texas Competitive Electric Market Structure - 2002

Price to Beat

- Key Component to Texas success
- Price Floor set by PUCT
- Applied to AREPs only
- Set to Expire on 1/1/07
- No AREP products below PTB until 01/01/05 or 40% of resi or small comm market had moved to competitors.

Quick Note on the System Benefit Fund (SBF)

• Four Funded Programs – 2 most important:
  • Electric discount rate for low income customers (LITE-Up Texas)
  • Low-income Energy Efficiency
• 2015 – Lawmakers voted to end SBF
  • Lite-Up Assistance ended 08/31/16
• 2017 – Retailers may offer their own assistance programs.

Where Is the Texas Market Today?
Texas Electric Market - 2017

Key Points

• 109 Retailers
  • 404 unique products
  • 97 solely from 100% renewable
• 92% of all customers have exercised ability to switch since 2002.

• Competitive retailers serve over 7M meters:
  • 6.1M residential customer
  • 1M commercial customers
  • 4K industrial customers

• Only 4,465 electric complaints from 09/01/14 to 08/31/16
Retail Prices

- Average lowest available residential price = 5.1¢ per kWh in September 2016.

- Average across all plans available in Texas competitive market was 9.8 ¢ per kWh.

- Rates in ERCOT have decreased since the 2002 transition to a competitive market.

- Both fixed and variable plans were much lower than nationwide average of 13.45 ¢ per kWh in July 2016 and 13.62 ¢ per kWh in July 2015.

Texas Electric Market - 2017

2015 Energy Use
347 billion kilowatt-hours of energy used in 2015. 2.2 percent more than 2014.
*Includes solar, hydro, petroleum coke, biomass, landfill gas and DC Ties

2015 Generation Capacity
*Includes solar, hydro and biomass
Degree of choice that should be present in the CA market along a scale of Less, Same, or More?

I vote . . .
HAPPY HALLOWEEN!