



Color Of Change
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Oakland, California 94612

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Bill Magness

(Former) President and Chief Executive Officer
The Electric Reliability Council of Texas
7620 Metro Center Dr
Austin, Texas 78744
(bmagness@ercot.com)

Dear Mr. Magness:

I am writing on behalf of Color Of Change, the nation's largest online racial justice organization with a membership of over 7 million people. **Last month, a historic winter storm devastated the Electric Reliability Council of Texas' (ERCOT) electric grid, leaving more than four million Texans without heat or electricity amid subfreezing temperatures.**¹ After residents scrambling for warmth turned to ovens, running cars, and generators, over 580 contracted carbon monoxide poisoning—and two eight-year-old girls died.² After blankets and layered clothing proved futile in the absence of reliable heating systems, at least 40 residents—including an 11-year-old boy—died of suspected hypothermia exposure.³ **Responsible for 90 percent of the state's electric load, ERCOT bears responsibility for these casualties.**⁴ ERCOT failed to protect the electric grid from “uncontrolled, cascading outages,” failed to perform regular outage rotations so that no customer was “without power for more than 12 hours,” and failed to adequately prepare its equipment for frigid temperatures.⁵ **As ERCOT continues to deflect accountability, Color Of Change would like to hold the organization accountable to detailing reparative measures to redress the harms caused.**⁶

The massive power outages and fatalities were entirely preventable. In February 2011, an unprecedented snow storm caused statewide rolling blackouts that affected 3.2 million Texans. In response, federal authorities conducted

¹ Tim Stelloh, Adela Suliman, Kurt Chirbas and Colin Sheeley, “Millions in Texas without power as deadly storm brings snow, freezing weather,” *NBC News* (February 16, 2021),

<https://www.nbcnews.com/news/weather/knocked-out-texas-millions-face-record-lows-without-power-new-n1257964>.

² Gwendolyn Wu, “More than 500 cases of carbon monoxide poisoning have now been reported in Houston,” *The Houston Chronicle* (February 18, 2021),

<https://www.houstonchronicle.com/news/houston-texas/health/article/More-than-500-cases-of-carbon-monoxide-poisoning-15961534.php>; Daniela Sternitzky-Di Napoli, “Two 8-year old girls among 25 storm-related deaths in Harris County,” KPRC

Click2Houston (February 24, 2021), <https://www.click2houston.com/news/local/2021/02/24/storm-deaths/>.

³ Zach Despart and Alejandro Serrano, “Winter storm's death toll rivals Harvey, with count still rising from hypothermia, carbon monoxide,” *The Houston Chronicle* (February 27, 2021),

<https://www.houstonchronicle.com/news/houston-weather/article/winter-storm-death-toll-houston-harvey-weather-15982990.php>

; Bill Hutchinson, “Family of 11-year-old boy who died in Texas deep freeze files \$100 million suit against power companies,” *ABC News* (February 21, 2021), <https://abcnews.go.com/US/family-11-year-boy-died-texas-deep-freeze/story?id=76030082>.

⁴ Clifford Krauss, Manny Fernandez, Ivan Penn, and Rick Rojas, “How Texas' Drive for Energy Independence Set It Up for Disaster,” *The New York Times* (February 21, 2021),

<https://www.nytimes.com/2021/02/21/us/texas-electricity-ercot-blackouts.html>.

⁵ Katherine Blunt and Russell Gold, “The Texas Freeze: Why the Power Grid Failed,” *The Wall Street Journal* (February 19, 2021), <https://www.wsj.com/articles/texas-freeze-power-grid-failure-electricity-market-incentives-1161377856>.

⁶ Reese Oxner, Mitchell Ferman and Julián Aguilar, “Catastrophic Texas power outages prompt finger pointing and blame shifting at legislative hearings,” *The Texas Tribune* (February 26, 2021),

<https://www.texastribune.org/2021/02/25/texas-house-senate-ercot/>.



an investigation and found that energy producers' electricity infrastructure had "inadequate" winterization protection.⁷ **ERCOT had a decade to prepare for the 2021 Texas freeze, yet still failed to install winterization protections before frigid temperatures devastated its power grid.** As a result, ERCOT customers were without electricity for up to 72 hours; and Black and low-income families—disproportionately affected by COVID-19's economic fallout and unable to afford warm hotel rooms at \$1,000 a night—were left to freeze.⁸ While winterization protections can be costly, Texans have paid \$28 billion more for their electricity since 2004 "than they would have paid at the rates charged to the customers of the state's traditional utilities."⁹ **Cold-weather protection units, pipe insulation and other winterization processes were well within ERCOT's annual budget.**

Furthermore, Texans have reported exorbitant electricity bills, some of which exceed \$10,000.¹⁰ While Governor Greg Abbott (R-TX) has temporarily halted power disconnections due to non-payments and restricted electric companies from sending "skyrocketing" invoices, Color Of Change seeks a deeper, more long-term commitment from the organization responsible. **Therefore, we strongly urge ERCOT to undertake the following actions:**

1. **Subsidize customers' utility bills for the month of February.** Millions were without electricity, hundreds were poisoned by carbon monoxide, and tens died. ERCOT customers should not be held financially responsible for energy surges, the suspension of price caps, or days without reliable heating systems.¹¹
2. **Publish a detailed report on last month's power outage** that includes breakdowns of: (i) the amount ERCOT has spent on winterization protection since 2011, (ii) ERCOT's rubric for assessing when to enter into rotating power outages or how long each neighborhood would be without electricity during statewide power outages, and (iii) the length of time each zipcode was without electricity between February 10th and February 28th.
3. **Correct any inaccurate, excessive and erroneous billing**, including the \$16 billion ERCOT overcharged companies when it failed to lower the price of wholesale electricity on time during February's winter storm.¹² It is our understanding that ERCOT does not intend to refund this exorbitant sum. Not doing so after being made aware of cost inaccuracies reaches the level of pilfering.
4. **Release a detailed plan on how ERCOT intends to ensure safe, reliable, and affordable access to electricity moving forward.**

We would like to schedule a meeting to go over in detail the aforementioned and ensure that Black and low-income customers do not bear the financial costs of the massive power outages nor experience an outage of this calibre in the future. If interested, please respond to this email at jade.ogunnaike@colorofchange.org and our staff will coordinate a time for us to discuss further. We look forward to your prompt response.

⁷ Clifford Krauss, Manny Fernandez, Ivan Penn, and Rick Rojas, "How Texas' Drive for Energy Independence Set It Up for Disaster," *The New York Times* (February 21, 2021), <https://www.nytimes.com/2021/02/21/us/texas-electricity-ercot-blackouts.html>.

⁸ Terry Nguyen, "What's going on with hotel booking prices in Texas?" *VOX* (February 18, 2021), <https://www.vox.com/the-goods/2021/2/18/22289892/texas-hotel-booking-prices-storm>; Jeremy Rogalski, "Texas counties with fewer power outages are not part of state grid," *KHOU-11* (February 18, 2021), <https://www.khou.com/article/news/investigations/texas-power-outage-counties-with-fewer-power-outages-are-not-part-of-state-grid/285-67277280-7fce-42ca-b55b-f8fc639c0889>.

⁹ Tom McGinty and Scott Patterson, "Texas Electric Bills Were \$28 Billion Higher Under Deregulation," *The Wall Street Journal* (February 20, 2021), <https://www.wsj.com/articles/texas-electric-bills-were-28-billion-higher-under-deregulation>.

¹⁰ Mica Soellner, "Texas facing electric bills higher than \$10k over trying to keep homes warm," *The Washington Examiner* (February 19, 2021), <https://www.washingtonexaminer.com/news/texans-seeing-five-figure-electric-bills-during-storm>.

¹¹ JP Casey, "Texas to raise energy prices and suspend price cap amid winter storm," *Power Technology* (February 18, 2021), <https://www.power-technology.com/news/texas-to-raise-energy-prices-and-suspend-price-cap-amid-winter-storm/>.

¹² Billy Gates, "ERCOT billing errors now emergency item in Texas Legislature," *KXAN* (March 10, 2021), <https://www.kxan.com/news/texas/ercot-billing-errors-now-emergency-item-in-texas-legislature/>.



Sincerely,
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