

The Perfect Storm for Rising Energy Prices

In 2022, prices rose at faster rates than seen in decades. Consumers were hard pressed not to feel the impacts of this record inflation, whether at the gas pump or trips to the grocery store. Unfortunately, power prices were no exception to these rising costs.

An extremely cold air mass shifted over Texas on December 22, 2022, causing temperatures to plummet across the state. Much of Texas endured temperatures below freezing (in some cases well below freezing) for dozens of hours. Wind chills below zero persisted across much of the northern half of the state through December 25, 2022. Most Texans faced frigid conditions through at least the morning of December 25, with morning lows around freezing on December 26 and December 27. These cold temperatures, in conjunction with typical holiday activities in members' homes created higher than usual kWh consumption.

We at PenTex Energy realize that the combination of inflation being at a 39 year high, along with the extreme cold in December and higher than normal kWh consumption, created a tsunami of effects that made the timing of the required January launch of the Securitization Rate Recovery Factor (SCRF) extremely difficult for our membership.

As we have conveyed in previous correspondence, PenTex Energy will begin procuring their own power from the open market, specific to the PenTex Energy load shape, beginning March 1st. This, in conjunction with lower natural gas prices, is highly indicative of lower power prices going forward. Any savings in power procurement will be passed on to our members through the Power Cost Recovery Factor (PCRF). Also, please keep in mind that as our membership grows at PenTex Energy, we anticipate the SCRF cost per kWh should decrease accordingly.

We value your membership in this cooperative. Rest assured that as we weather the storms, we are here for you and strive daily to meet the needs of our membership by providing reliable energy and proven service.