



For Immediate Release
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AECT encourages customers to take steps to get ahead of unpleasant surprises on winter electric bills.

Natural gas prices drive electricity prices in Texas. About half of electricity generated in Texas comes from power plants fueled by natural gas. Because these power plants provide the power needed to meet daily and real-time changes in consumer demand, increases in operating costs create increased prices market-wide.

Recently, natural gas prices exceeded \$6.00/MMBtu on the NYMEX spot market for the first time since 2014 and reached a 13-year high of \$6.31/MMBtu on October 5, 2021. By way of comparison, natural gas prices were around \$2.50/MMBtu in October 2020. The U.S. Energy Information Administration estimates that home heating costs will rise 30 percent compared with last year, due to those spot prices.¹

Accordingly, if natural gas prices continue to stay high or rise further, retail electricity market prices will increase.

Controlling Electric Bills

- Customers in the competitive retail electric market should talk to their retail electric providers (REPs) or shop for new service if their current plan no longer meets their needs. We recommend customers ask about the option to choose a fixed-rate, term contract for electricity that can get them through winter to avoid price fluctuations.
- All Texas customers can take steps to lower their bills:
 - Make sure insulation is up to date.
 - Cover windows with clear plastic to reduce heat loss.
 - Maintain HVAC and replace air filters regularly.
 - Keep warm air circulating by running ceiling fans clockwise when cooling and counterclockwise when heating.

¹ https://www.eia.gov/outlooks/steo/special/winter/2021_winter_fuels.pdf

- Let sunlight in to help reduce heating needs, close blinds and shades to block sun when cooling.
 - Cover bare floors with rugs to help reduce heat loss.
 - Control energy bills by setting thermostats at 68 degrees when heating and 78 degrees when cooling. This is particular helpful if you are outside the home during the day.
 - Energy Star-certified smart thermostats can save up to 8% annually on heating and cooling costs. They allow customers to schedule more efficient temperatures while they're away and control the thermostat remotely.
- In all cases, if customers have trouble paying their bills, they should reach out to their REP or electric company to learn what payment options are available. Customers can also call 2-1-1 from their phone or visit 211texas.org to learn what assistance is available.

AECT knows that times remain difficult for many Texas families and businesses. We hope this advisory provides helpful information to help manage electricity costs, and to better understand the factors that cause higher electricity prices.

The Association of Electric Companies of Texas, Inc. (AECT) is a trade organization of electric companies in Texas. Organized in 1978, AECT provides a forum for member company representatives to exchange information about public policy, and to communicate with government officials and the public. AECT member companies remain dedicated to providing Texas customers with reliable service and are committed to the highest standards of integrity.