Markets

A Second Power Provider Defaults After Texas Energy Crisis

By Mark Chediak
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Why Did the Texas Power Grid Fail?

Power retailer Entrust Energy Inc. became the second electricity seller to be barred from Texas's power market for failing to make payments after last month's energy crisis.

The Electric Reliability Council of Texas said it was revoking Entrust's right to participate in the market and was moving its customers to rival retailers. The retailer was short more than $234 million in payments to generators and others, according to a separate Ercot filing Wednesday.

Griddy Energy LLC , the retail electricity provider that came under fire after its customers received exorbitant power bills during the grid emergency, was found in default by Ercot last week.

The notices come as power retailers and other companies have asked Texas regulators to suspend collection of invoices and roll back wholesale electricity prices that soared to $9,000 a megawatt-hour during the Arctic blast that crippled the grid and left millions without power for days.

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More defaults may be imminent. Energy Monger, a retailer that owes Ercot more than $6.6 million, has begun the process of moving its customers to other providers in anticipation of its default, Chief Executive Officer Drew Gormley said in a letter to its brokers and employees Wednesday.

“I am convinced that Energy Monger did not fail the competitive market…the competitive market failed Energy Monger,” Gormley wrote.

Ercot on Wednesday identified more electricity providers that are short on about $2.2 billion of payments with invoice dates of Feb. 23 and Feb. 24.

Topping the list was Brazos Electric Power Cooperative, which filed for bankruptcy earlier this week. Brazos owed $1.8 billion for energy services, according to the Ercot filing. Griddy Energy owed nearly $25 million.

COMPANY	AMOUNT SHORT
Brazos Electric Power Cooperative	$1,808,323,583
Entrust Energy	$233,907,776
Hanwha Energy	$44,921,208
Rayburn Electric Cooperative	$41,619,069
Griddy Energy	$24,934,091

Illuminar Energy	$20,599,015
GBPower	$15,260,346
MQE	$7,260,628
Energy Monger	$6,651,691
Bulb	$5,192,555
City of Garland	$3,539,937
Wolverine Trading	$2,788,279
Volt Electricity Provider	$1,341,691
Eagles View Partners	$1,152,199
GridPlus Texas	$477,050
TOTAL	$2,217,969,118

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