



BUSINESS

Texas electricity provider Griddy faces class action lawsuit for skyrocketing bills

BY HALEY SAMSEL

FEBRUARY 23, 2021 11:33 AM



The Steadman family lost power to their Fort Worth home in the early morning of Monday, February 15, 2021, and as of Tuesday evening still had no power. They decided to relocate to a family member's apartment until Oncor restores power. BY [AMANDA MCCOY](#)



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Already [facing complaints of massive bills](#) during last week's winter storm, Texas electricity provider Griddy is now the subject of a proposed class action lawsuit seeking monetary relief of more than \$1 billion.

Lisa Khoury, a Griddy customer in Mont Belvieu, filed the lawsuit in Harris County on Monday after racking up a \$9,340 bill between Feb. 13 and Feb. 19. The suit accuses Griddy of price gouging during [the state's power crisis that led to outages](#) for millions of homes.

Khoury and her legal team are seeking relief for all Texans who paid for electricity through Griddy, including [several North Texans who have publicly detailed](#) the toll

that high energy costs are taking on their finances, families and mental health.

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“At this point we don’t know how many people might be affected, but there are likely thousands of customers who’ve received these outrageous bills,” Derek Potts, a Houston lawyer representing Khoury, said in a statement. “A class action will be the most efficient and effective way for Griddy’s customers to come together and fight this predatory pricing.”

Griddy’s business model relies on a low monthly membership fee, with customers paying wholesale market prices for electricity that are often below the fixed rate set by other electric providers.

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That equation shifted significantly during President’s Day weekend, when the company [urged its 29,000 customers](#) to find another provider that would not expose them to the volatility of the market. Most Texans [pay fixed rates for electricity](#) through retail electric providers, electric cooperatives or municipal utilities.

Wholesale prices shot up by 10,000%, to the price cap of \$9 per kilowatt-hour, for days during the storm — a phenomenon that was usually limited to a few hours per year during summer heat waves.

Khoury was one of thousands trying to find another provider for several days before finally switching on Feb. 19. Her family was mostly without power in their home from Feb. 17 to Feb. 18, and tried to conserve energy when the electricity did return, according to the suit.

But that didn’t prevent Khoury from seeing her electricity bill rise far above its typical monthly amount of \$200 to \$250, according to her lawyer. She is now accusing Griddy of violating the Texas Deceptive Trade Practices Act, along with counts of negligence, unjust enrichment and conversion.

The suit also seeks an injunction to prevent the company from billing or collecting payment for its “excessive prices,” according to a news release.

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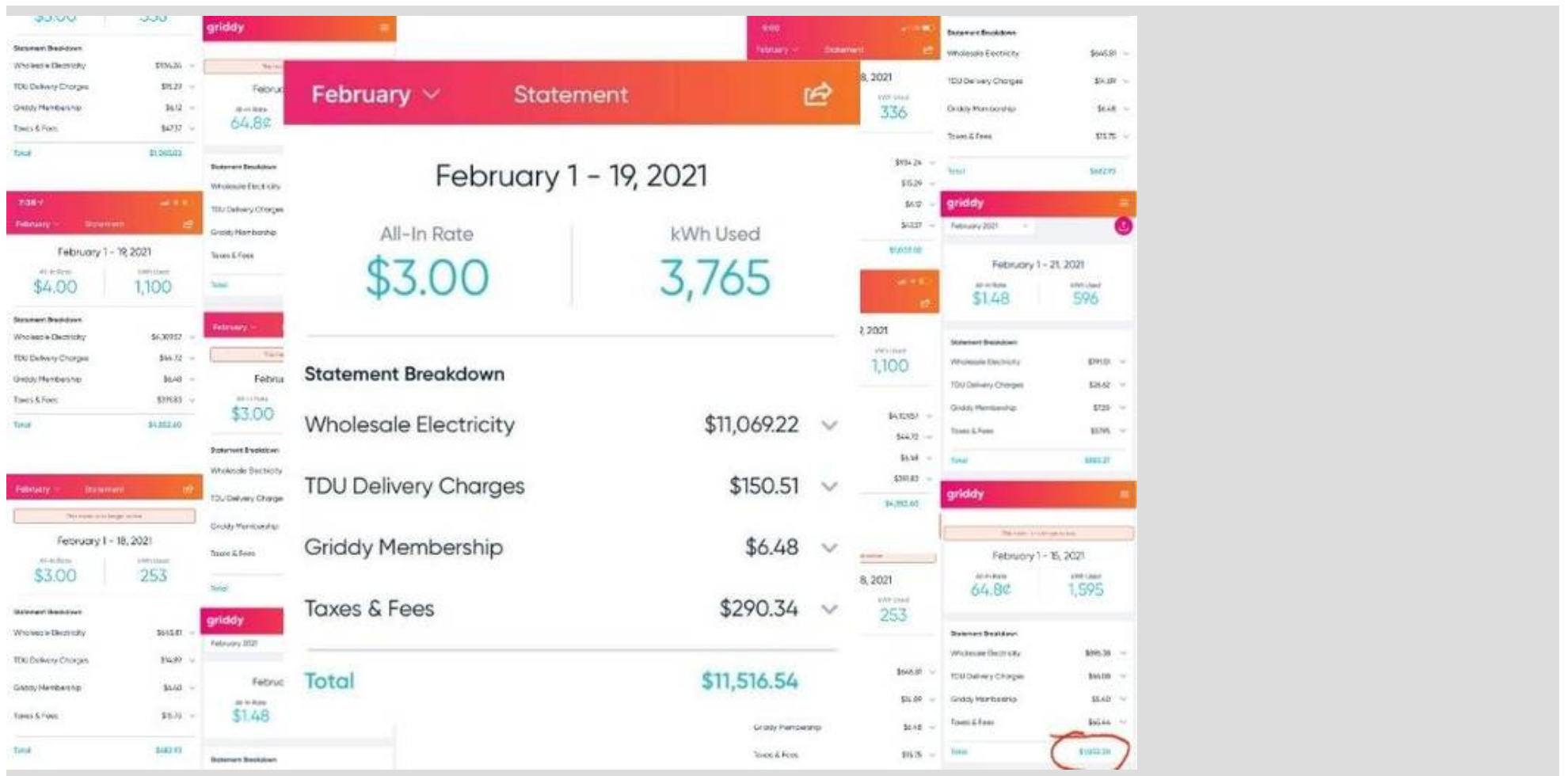
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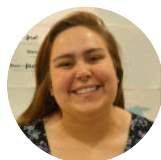
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Lauren Valdes, a spokeswoman for Griddy, told the Star-Telegram last week that the company is “focusing all of our efforts on helping our customers — in the near and long future.” In a press release on Friday, Griddy added that it is working with the Public Utility Commission and the Electricity Reliability Council of Texas to “win relief for its customers.”

State action on high electricity bills could be coming, as [Gov. Greg Abbott consulted a bipartisan group](#) of lawmakers about potential legislative solutions on Saturday. Attorney General Ken Paxton also opened investigations into 11 energy companies, including Griddy, on Friday.



More than a dozen North Texans sent screenshots of their invoices from Griddy, a wholesale electricity company that was vulnerable to price spikes during the winter storm. HALEY SAMSEL



HALEY SAMSEL



Haley Samsel is a Report for America corps member reporting on environmental issues caused by economic growth for the Fort Worth Star-Telegram. Her position is partly supported by a grant from the Anita Berry Martin Memorial Fund at North Texas Community Foundation. Samsel, a Plano native, graduated from American University in Washington, D.C., where she served as the editor-in-chief of the student newspaper, The Eagle, and interned for news organizations like The Texas Tribune and NPR.



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BY STEFAN STEVENSON

FEBRUARY 24, 2021 01:20 PM, UPDATED FEBRUARY 24, 2021 01:47 PM



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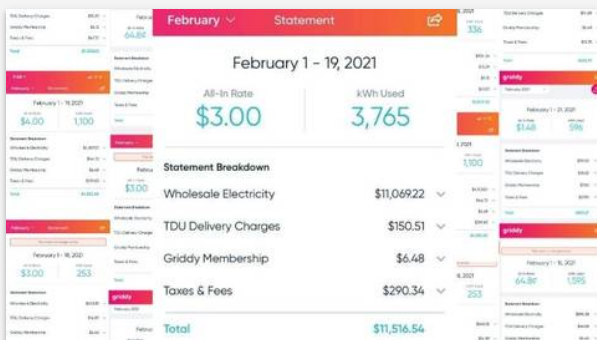
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