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Texas electricity retailer Griddy hit with \$1 billion lawsuit that claims price gouging



Rebecca Carballo, Staff writer

Updated: Feb. 23, 2021 12:37 p.m.

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Griddy, the California-based company that is selling wholesale power to Texans, came to Texas with edge advertising and a plan to disrupt power markets. It appears power markets disrupted Griddy.
Karen Warren, Houston Chronicle / Staff photographer

After receiving a \$9,340 electric bill, a Chambers County woman has filed lawsuit against Griddy, alleging that the power company price gouged her and others during last week’s statewide winter storm and power outages.

The lawsuit seeks class action status and relief of more than \$1 billion for Griddy customers, many of whom have been hit with electric bills in the thousands of dollars. Griddy could not immediately be reached for comment.

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Griddy customers pay a small monthly fee, which gives them access to wholesale prices. Wholesale prices are usually lower than retail, but are volatile and can skyrocket.

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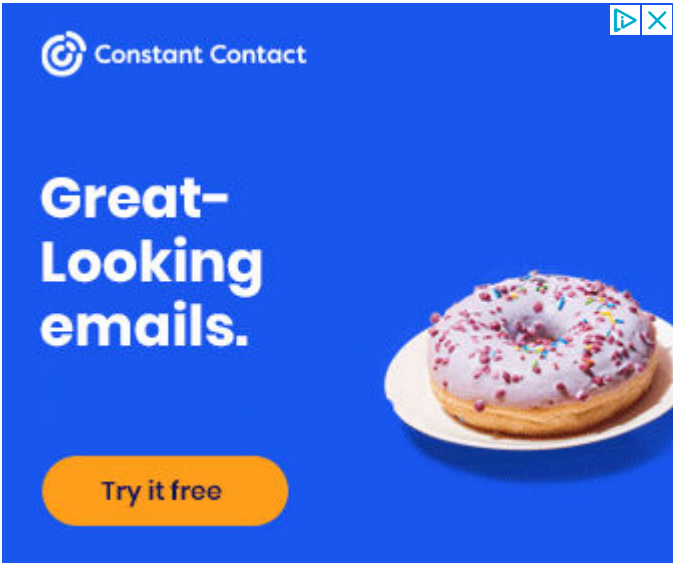
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On HoustonChronicle.com: Griddy takes disruption to another 'multilevel'

Last week, with severe power shortages, wholesale prices in Texas soared to the state maximum of \$9,000 per megawatt hour. For retail customers, that’s \$9 per kilowatt hour, compared to retail prices that typically run about 10 cents per kilowatt hour.

Lisa Khoury, of Mont Belvieu, said in the complaint that her normal monthly bill averages between \$200 and \$250, and she repeatedly tried to reach the company with concerns about the withdrawals from her account to cover the rising power costs, but never heard back.

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She said she eventually placed a stop-payment order on her bank account, according to court documents.

The proposed class would include all Texas residents who used electricity services from Griddy and were hit with excessive charges resulting from the storm, according to the lawsuit.

“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,” says Derek Potts of the Potts Law Firm in Houston, who represents Khoury. “A class action will be the most efficient and effective way for Griddy’s customers to come together and fight this predatory pricing.”

The lawsuit alleges violations of the Texas Deceptive Trade Practices Act among other claims. It seeks an injunction to prevent Griddy from billing and collecting payment for excessive prices and demands forgiveness of any late or unpaid bills from customers.

The lawsuit is filed in the 133rd District Court of Harris County, Texas.

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Written By
Rebecca Carballo

Reach Rebecca on

Rebecca Carballo is a reporter for the Houston Chronicle.

Before coming to Houston, Rebecca covered immigration and Albany suburbs while at the Times Union. She reported on the spread of COVID-19 in an immigration detention facility near Buffalo, which had among the largest number of COVID cases at the time. She also enjoyed covering women's health issues while working at a local paper in West Virginia.

She is originally from Milwaukee, Wisconsin, where she attended Marquette University and received her bachelor's degree in journalism and political science.

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≡ BY ALEX STUCKEY

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