Twitter Thread by Mark Sumner



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Okay. Now that the lights are on again, let's do this Texas thing one more time from a slightly different angle. Because for a lot of people the REAL disaster of the last week is still on the way. … 1/22

Texas is finally back to a grid capacity that exceeds demand. That's good. However, it's only making it easier to see the water disaster, food disaster, and economic disaster ahead. Which is exactly what has billionaires bragging they "hit the jackpot." … 2/22

For energy companies in Texas, this has been the BEST WEEK EVER. The same goes for natural gas companies. The entire energy industry—including the owners of Texas wind farms—has seen a tremendous surge of profit. … 3/22

In just two days this week, Monday and Tuesday, providers easily cleared more profit than in a full year of ordinary, ho-hum service. NOT providing adequate electricity to Texas is much more profitable than providing every Texan with the power they need. By design. … 4/22

With a governor so busy going on Fox he didn’t have time to even distribute the stock of generators provided by FEMA, most of Texas is simply exhausted. But the energy industry is ecstatic. This sugar rush injected billions straight into their pockets *for failing*. … 5/22

When Naomi Klein wrote The Shock Doctrine in 2007, she described a system of "disaster capitalism" in which neoconservative free markets exploited extraordinary situations as a mechanism to take wealth from ordinary people and give it to billionaires. … 6/22

Using excuses ranging from hurricanes to government overthrows, disaster capitalism systems were constructed with a laissez-faire anything goes policy for the wealthy, and a strict insistence that the government do nothing to help the poor. Because of "austerity." … 7/22

The forces behind this are well aware that no one is able to negotiate fairly when in the midst of crisis. That's the whole point. Disasters make people uniquely vulnerable, both economically and emotionally, to being manipulated by scam artists. … 8/22

Those scam artists can be people hawking water for ten times its normal price. Or they can be companies selling electricity for 27,000% its usual rate. Those who impose neoconservative market systems are simply at the top of the scam artist food chain. … 9/22

These systems insist on austerity when it comes to social programs designed to lift people out of poverty or buffer them from the next disaster. That's because such buffers make people less vulnerable, and so, less easily manipulated by the disaster capitalists. … 10/22

The Texas energy market, as managed by the Electric Reliability Council of Texas (ERCOT) isn't just a market that's designed to protect investors and harm consumers in each instance of disaster; it's a market that's operates on self-induced disasters. … 11/22

The incentives of ERCOT keep the difference between supply and demand in Texas razor thin. The way that pricing is conducted means that the price of electricity can fluctuate wildly over very short periods on tiny changes in the available supply. It's a "spike" machine. … 12/22

Those spikes in prices are the primary means by which the system incentivizes expansion of the electricity supply. Because they create enormous profits. And it really does provide incentive. It provides incentive to *generate more spikes.* … 13/22

This doesn't require Texas electricity providers to be "evil." It only requires that they be rational actors confronted with a system where limiting supply generates increased profit. … 14/22

Texas suffered massive blackouts in 1989 and 2011 after cold snaps raised demand above supply. In both cases, investigations showed the system desperately needed to be winterized and prepared for future events. That didn't happen. For very good reasons. … 15/22

Reasons like: "This week is like hitting the jackpot with some of these incredible prices," [Comstock Resources chief financial officer Roland Burns] said. "Frankly, we were able to sell at super premium prices for a material amount of production." … 16/22

Nothing is getting fixed, because for the people who run this system, *nothing is broken.* For the energy industry, the spike machine works GREAT. This really has been "hitting the jackpot," and celebrations are being held by speculators at all levels. … 17/22

Industry analysts are confident not only that Texas Republicans will be able to hold off making any significant changes to the market—as they did in 1989 and 2011—by blaming the problems on "green energy." Then it's full speed ahead to the next spike. …. 18/22

What they don't want to talk about is that the Texas energy market is not a "wealth generator," it's a wealth concentrator. Happy, smiling billionaires aren't getting money from nowhere. It comes from ordinary people. … 19/22

It comes from the people whose pipes have burst, from restaurant owners whose food has spoiled, and every Texan about to open that envelope from their power company. Texans will now take what little they have left, and ship it to the people

who engineered this disaster. … 20/22

That may sound incredible, but then, this has been a man-made disaster at every level. No earthquake toppled homes in Texas. No hurricane swept in from the sea. The power grid went down because when it was *turned off* when supply couldn't keep up with demand. … 21/22

The disaster in Texas isn’t over. It will never be over, so long as Republicans like Rick Perry can continue to sell the idea that it’s better to literally freeze to death than to have a system that works for everyone, rather than just the billionaires.