



Rodney's Take

February 22, 2021

The Opportunity in the Texas Dystopia

I've always appreciated hurricanes. Like Reggie Jackson standing at the plate during the World Series and pointing over the fence, hurricanes give you ample warning that they could do major damage. You have time to prepare. Since we live along the Gulf Coast, we've prepared for many hurricanes that never arrived and a few that showed up as promised.

This latest winter storm wasn't like that. While we had plenty of warning that the temperature would dip to abnormally low levels, we had no emergency prep list beyond stocking up on food and filling our cars with gas. The electrical resellers we contract with for residential electricity did not send notices last week that they anticipated widespread blackouts that could last up to four days when the temperature was expected to stay between 16°F and 28°F. When the power companies did post notices on Sunday, they said customers might experience rolling blackouts that could last between 15 minutes and 40 minutes. That estimate proved to be overly optimistic.

Personally, we were lucky. Across the Houston metroplex of 8 million people, 1.4 million were without power for days. We lost electricity for just a few hours on Tuesday night. Hundreds of thousands of people were still without water on Saturday, and more than 14 million Texans, including us, remained under a boil notice. It's inconvenient, but not life-threatening.

Texas power generators did not prepare for a cold event of this magnitude because it was a remote possibility and they weren't required to. There was no financial incentive to winterize to the level necessary to guard against the weather system we just experienced, because such weather systems

show up so infrequently. That fact has not changed. There's no guarantee that if power companies winterize for future storms, eventually they will be able to charge high enough rates during a cold snap to cover the capital outlay. Oddly, if every power generator winterized, then none of them would go offline during a cold snap, which would guarantee that none of them would recoup its costs.

To guard against a future event, the Texas legislature will have to set a winterization standard for all power generation. We'll see how that plays out in the months and years ahead.

In the meantime, individuals, neighbors, and communities will be working to restore potable water to everyone across the state. We must repair busted pipes in tens if not hundreds of thousands of homes to stop the free flow of water from draining away our resources. After that, we'll need to repair the water damage, which will mean home restorations.

And we will replace a lot of outdoor plants. When areas considered zone 9a on the USDA's plant hardiness scale suddenly get zone 7 weather, a lot of vegetation dies.

Texans are about to spend a lot of time and money at Home Depot and Lowe's, and chances are we will get government money to fund our purchases. City, county, and state officials called the latest weather event a disaster, and now the federal government agrees. Agencies at all levels have called for relief funds to restore services and repair homes, and we're likely to receive another shot of stimulus money in March. The combination of outsized demand and a cash infusion should keep the cash registers at home improvement stores humming, boosting profits even higher than they had been as a result of the hot real estate market before this latest mess.

While we can't undo the misery and destruction that the winter storm left in its path, we can find ways to turn it to our benefit. At least that's what I'm telling myself, as I head out to take the frost tarps off of what are likely dead plants and then make my Home Depot shopping list.

Rodney

Got a question or comment? You can contact us at info@hsdent.com.