

## Diana Liebmann in Law360: 'Heat Wave Underscores Urgency of Texas Grid Policy Reform'

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**PRACTICES** Commodities, Energy Regulatory, Energy, Power and Natural Resources, Project Finance and Development

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[Diana Liebmann](#), the administrative partner of Haynes Boone's San Antonio office, was quoted in a *Law360* article on the current heat wave in Texas and the need for grid policy reform. Read an excerpt below:

Texas utility regulators on Thursday boosted electricity conservation incentives amid heat wave-induced supply crunches, but experts say the grid's recent close shaves will increase the pressure to finalize changes to the state's power sector spurred by last year's deadly winter blackouts.

The Public Utility Commission of Texas approved a proposal to immediately increase annual funding for the state's Emergency Response Service program — under which industrial consumers are paid for using less power during high-demand periods — from \$50 million to \$75 million and allow the new cap to be exceeded by up to \$25 million for consumers that renew their participation in the program. ...

"What they're striving to do is to get the decision made before the end of the year in order to start implementation," said Diana Liebmann, who leads Haynes Boone's power and renewables practice group. "Depending on the route that they go, it will be the implementation that will take the longest time." ...

But interim measures can only go so far — and have costs of their own, experts say. For example, post-Uri, ERCOT has been purchasing more reserve capacity and requiring more power plants to be available in real time. But the grid operator's independent market monitor said in a May report that requiring those plants to be ready increased consumer costs by between \$300 million and \$400 million in the second half of 2021.

"They're less economic in the market, and it's creating more wear and tear on the units," Liebmann of Haynes Boone said.

To read the full article from *Law360*, click [here](#).