

By: Patterson

H.B. No. 2796

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of bulk-power system equipment by the Public Utility Commission of Texas.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 32, Utilities Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. BULK-POWER SYSTEM TRANSACTIONS

Sec. 32.151. DEFINITIONS. In this subchapter:

(1) "Bulk-power system" means:

(A) the facilities and control systems necessary for operating an interconnected electric energy transmission network or a portion of a network, other than:

(i) transmission lines rated at less than 69,000 volts; and

(ii) facilities used in the local distribution of electric energy; and

(B) electric energy from generation facilities needed to maintain transmission reliability.

(2) "Bulk-power system equipment" means items used in bulk-power system substations, control rooms, or power generating stations, including reactors, capacitors, substation transformers, current coupling capacitors, large generators, backup generators, substation voltage regulators, shunt capacitor equipment, automatic circuit reclosers, instrument transformers, coupling

1 capacity voltage transformers, protective relaying, metering  
2 equipment, high voltage circuit breakers, generation turbines,  
3 industrial control systems, distributed control systems, and  
4 safety instrumented systems.

5 Sec. 32.152. BULK-POWER SYSTEM TRANSACTIONS. (a) The  
6 commission by rule shall prohibit the acquisition, importation,  
7 transfer, or installation of bulk-power system equipment in this  
8 state that:

9 (1) was designed, developed, manufactured, or  
10 supplied by persons owned by, controlled by, or subject to the  
11 jurisdiction of communist China; and

12 (2) is part of a transaction that the commission  
13 determines presents an undue security or safety risk to the  
14 bulk-power system in this state because of potential:

15 (A) sabotage to or subversion of the design,  
16 integrity, manufacturing, production, distribution, installation,  
17 operation, or maintenance of the bulk-power system in this state;  
18 or

19 (B) catastrophic effects for the security or  
20 resiliency of critical infrastructure or the economy of this state.

21 (b) The commission may:

22 (1) design or negotiate measures to mitigate risks  
23 described by Subsection (a); and

24 (2) require that a person acquiring, importing,  
25 transferring, or installing bulk-power system equipment in this  
26 state incorporate a mitigation measure in the acquisition,  
27 importation, transfer, or installation.

1           (c) The commission may:

2                   (1) establish and publish criteria for pre-approving  
3 particular equipment and particular vendors in the bulk-power  
4 system equipment market as compliant with this section; and

5                   (2) publish a list of pre-approved equipment and  
6 vendors.

7           SECTION 2. The Public Utility Commission of Texas shall  
8 develop recommendations on ways to identify, isolate, monitor, or  
9 replace bulk-power system equipment that was designed, developed,  
10 manufactured, or supplied by persons owned by, controlled by, or  
11 subject to the jurisdiction of communist China as soon as  
12 practicable, taking into consideration overall risk to the  
13 bulk-power system.

14           SECTION 3. Subchapter D, Chapter 32, Utilities Code, as  
15 added by this Act, applies only to a contract for the acquisition,  
16 importation, transfer, or installation of bulk-power system  
17 equipment entered into on or after the effective date of this Act.

18           SECTION 4. This Act takes effect September 1, 2021.