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H.B. No. 787

A BILL TO BE ENTITLED

AN ACT

relating to the security of the electric grid.

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

SECTION 1. (a) In this section:

(1) "Critical infrastructure" means electric utility facilities located in the ERCOT power region. The term does not include power generation facilities.

(2) "Cybersecurity" means the activity, process, ability, capability, or state where information and communication systems and the information contained in those systems are protected from and defended against damage, unauthorized use, modification, or exploitation.

(3) "Electromagnetic pulse threat" means an electromagnetic pulse caused by intentional means, including an act of terrorism.

(4) "Electric utility" has the meaning assigned by Section 31.002, Utilities Code.

(5) "ERCOT" has the meaning assigned by Section 31.002, Utilities Code.

(6) "ERCOT organization" means the independent organization certified under Section 39.151, Utilities Code, for the ERCOT region.

(7) "Geomagnetic disturbance" means an event caused by the interaction of a cloud of charged particles produced by the

1 sun's solar storms and the earth's magnetic field.

2 (b) The Electric Grid Security Advisory Committee is  
3 created. The committee is composed of the following members:

4 (1) four members appointed by the governor to study  
5 electromagnetic pulse threats; and

6 (2) four members appointed by the governor to study  
7 cybersecurity.

8 (c) Each member of the committee must have professional  
9 experience or technical training in:

10 (1) cybersecurity;

11 (2) electromagnetic interference;

12 (3) electric power generation or transmission;

13 (4) electromagnetic pulse hardening;

14 (5) physical security and controls;

15 (6) space physics and weather;

16 (7) supervisory controls and data acquisition; or

17 (8) emergency preparedness.

18 (d) The governor shall designate a member of the committee  
19 to serve as presiding officer.

20 (e) The committee shall convene at the call of the presiding  
21 officer.

22 (f) The committee shall study critical infrastructure and  
23 its vulnerability to electromagnetic pulse, geomagnetic  
24 disturbance, and cybersecurity threats. The study must:

25 (1) evaluate and summarize the current state of the  
26 electric grid and associated computer systems and networks;

27 (2) consider and assess the likelihood of potential

1 security threats to the electric grid and associated computer  
2 systems and networks;

3 (3) assess whether further efforts are needed to  
4 secure the electric grid and associated computer systems and  
5 networks against damage, including the threat of electromagnetic  
6 pulse or other attacks and natural threats, including solar flares;

7 (4) recommend appropriate measures to secure the  
8 electric grid and associated computer systems and networks, taking  
9 into account the impact of the potential damage being addressed;  
10 and

11 (5) recommend one or more strategies to protect and  
12 prepare critical infrastructure in the ERCOT region against  
13 relevant threats and present the estimated costs associated with  
14 each strategy.

15 (g) The committee may use research and data on  
16 electromagnetic pulse threats and cybersecurity gathered by the  
17 United States Department of Defense, the United States Department  
18 of Energy, the United States Department of Homeland Security, and  
19 the Electric Power Research Institute.

20 (h) The committee may share its findings with any state  
21 agency it considers important to the security of the electric grid  
22 or associated computer systems or networks. To the extent allowed  
23 by law, a state agency with which the committee shares information  
24 is encouraged to implement any recommendations that the agency  
25 determines will improve the security of the state's electric grid  
26 or associated computer systems or networks.

27 (i) The ERCOT organization shall cooperate with the

1 committee to provide any information and resources the committee  
2 considers important to the study.

3 (j) A member of the committee is not entitled to  
4 compensation but is entitled to reimbursement for the member's  
5 travel expenses as provided by Chapter 660, Government Code, and  
6 the General Appropriations Act.

7 (k) A vacancy on the task force shall be filled for the  
8 unexpired term in the same manner as the original appointment.

9 (l) The committee is not subject to Chapter 2110, Government  
10 Code.

11 (m) Not later than December 1, 2018, the committee shall  
12 prepare a report of its findings, including any recommendations for  
13 legislation resulting from the findings, and shall submit the  
14 report to the governor.

15 (n) The committee's work relates to sensitive matters of  
16 security. Notwithstanding any other law, the meetings, work, and  
17 findings of the committee are not subject to the requirements of  
18 Chapter 551 or 552, Government Code. Each member of the committee  
19 shall sign a nondisclosure agreement stating that the member will  
20 not disclose to the public any sensitive or identifiable  
21 information related to grid security measures or plans.

22 (o) This section is not intended to penalize electric  
23 providers in this state. If deficiencies in the security of the  
24 electric grid in the ERCOT region are determined through the  
25 process established in this section and the legislature, in  
26 consultation with the governor, determines upgrades to the electric  
27 grid are necessary, the legislature shall determine whether

1 upgrades will be funded by appropriating general revenue, through a  
2 ratepayer cost recovery mechanism, or by a combination of those  
3 methods.

4 (p) This section is not intended to prevent an electric  
5 utility, municipally owned utility, or electric cooperative from  
6 making prudent investments and reasonable and necessary  
7 expenditures to secure the electric grid and seeking recovery of  
8 associated costs as authorized by the Utilities Code.

9 (q) The committee is abolished and this section expires on  
10 December 31, 2018.

11 SECTION 2. Subchapter Z, Chapter 39, Utilities Code, is  
12 amended by adding Section 39.917 to read as follows:

13 Sec. 39.917. INFORMATION RELATED TO GRID SECURITY. The  
14 independent organization certified under Section 39.151 shall  
15 collect and compile information related to the security of the  
16 electric grid. The information is confidential and is not subject  
17 to disclosure under Chapter 552, Government Code.

18 SECTION 3. The governor shall appoint members to the  
19 Electric Grid Security Advisory Committee, as required by this Act,  
20 as soon as practicable after the effective date of this Act, but not  
21 later than the 120th day after the effective date of this Act.

22 SECTION 4. This Act takes effect immediately if it receives  
23 a vote of two-thirds of all the members elected to each house, as  
24 provided by Section 39, Article III, Texas Constitution. If this  
25 Act does not receive the vote necessary for immediate effect, this  
26 Act takes effect September 1, 2017.