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

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

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

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

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

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

(b)  The commission may:

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

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

(c)  The commission may:

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

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

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

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

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