

By: Toth

H.B. No. 3716

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 as part of a transaction that the commission determines  
9 presents an undue security or safety risk to the bulk-power system  
10 in this state because of potential:

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

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

17 (b) The commission shall:

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

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

24 (c) The commission shall no later than September 1, 2022:

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

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

3           SECTION 2. Subchapter D, Chapter 32, Utilities Code, as  
4 added by this Act, applies only to a contract for the acquisition,  
5 importation, transfer, or installation of bulk-power system  
6 equipment entered into on or after the effective date of this Act.

7           SECTION 3. This Act takes effect September 1, 2021.