

By: Hall

S.B. No. 934

A BILL TO BE ENTITLED

AN ACT

relating to the installation and repair of critical electric grid equipment purchased from certain companies and nonprofit organizations.

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

SECTION 1. Section 39.360, Utilities Code, as added by Chapter 464 (S.B. 2013), Acts of the 88th Legislature, Regular Session, 2023, is amended by amending Subsections (a), (b), (c), (d), and (e) and adding Subsection (b-1) to read as follows:

(a) In this section, "company" and "critical infrastructure" have the meanings assigned by Section 117.001 [113.001], Business & Commerce Code[, as added by Chapter 975 (S.B. 2116), Acts of the 87th Legislature, Regular Session, 2021].

(b) An independent organization certified under Section 39.151 may not register a business entity or maintain the registration of a business entity to operate in the power region for which the independent organization is certified unless the business entity attests that the entity complies with Chapter 117 [113], Business & Commerce Code[, as added by Chapter 975 (S.B. 2116), Acts of the 87th Legislature, Regular Session, 2021].

(b-1) The commission by rule shall prohibit:

(1) the installation in or on an interconnected facility in the ERCOT power region after December 31, 2025, by a business entity of any critical electric grid equipment purchased

1 from a company described by Section 117.002(a)(2), Business &
 2 Commerce Code, a nonprofit organization organized under the laws of
 3 China, Iran, North Korea, or Russia, or a nonprofit organization
 4 organized under the laws of a country designated under Section
 5 117.003, Business & Commerce Code; and

6 (2) except in an emergency, the repair after December
 7 31, 2025, of critical electric grid equipment interconnected in the
 8 ERCOT power region using critical electric grid equipment purchased
 9 from a company described by Section 117.002(a)(2), Business &
 10 Commerce Code, a nonprofit organization organized under the laws of
 11 China, Iran, North Korea, or Russia, or a nonprofit organization
 12 organized under the laws of a country designated under Section
 13 117.003, Business & Commerce Code.

14 (c) An independent organization certified under Section
 15 39.151 shall require as a condition of operating in the power region
 16 for which the independent organization is certified that a business
 17 entity report to the independent organization the purchase of any
 18 critical electric grid equipment or service from a company
 19 described by Section 117.002(a)(2) [~~113.002(a)(2)~~], Business &
 20 Commerce Code, a nonprofit organization organized under the laws of
 21 China, Iran, North Korea, or Russia, or a nonprofit organization
 22 organized under the laws of a country designated under Section
 23 117.003, Business & Commerce Code~~[, as added by Chapter 975 (S.B.~~
 24 ~~2116), Acts of the 87th Legislature, Regular Session, 2021]~~.

25 (d) For each purchase reported by a business entity under
 26 Subsection (c), the business entity shall submit an attestation to
 27 the independent organization that the purchase will not result in:

1 (1) access to or control of its critical electric grid
2 equipment by the [a] company or nonprofit organization ~~[described~~
3 ~~by Section 113.002(a)(2), Business & Commerce Code, as added by~~
4 ~~Chapter 975 (S.B. 2116), Acts of the 87th Legislature, Regular~~
5 ~~Session, 2021]~~, excluding access specifically allowed by the
6 business entity for product warranty and support purposes; or
7 (2) conduct prohibited by the commission under
8 Subsection (b-1).

9 (e) Notwithstanding any other law, an independent
10 organization certified under Section [39.151](#) may immediately
11 suspend or terminate a company's registration or access to any of
12 the independent organization's systems if the independent
13 organization has a reasonable suspicion that the company meets any
14 of the criteria described by Section [2275.0102\(a\)\(2\)](#)
15 ~~[2274.0102(a)(2)], Government Code[, as added by Chapter 975 (S.B.~~
16 ~~2116), Acts of the 87th Legislature, Regular Session, 2021]~~.

17 SECTION 2. To the extent of any conflict, this Act prevails
18 over another Act of the 89th Legislature, Regular Session, 2025,
19 relating to nonsubstantive additions to and corrections in enacted
20 codes.

21 SECTION 3. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section [39](#), Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2025.