

By: Campbell, et al.
(Patterson)

S.B. No. 2368

A BILL TO BE ENTITLED

AN ACT

relating to affiliation with certain foreign entities of certain persons working or participating in the electricity market; increasing an administrative penalty.

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

SECTION 1. Section 15.023, Utilities Code, is amended by adding Subsection (b-2) to read as follows:

(b-2) Notwithstanding Subsection (b), the penalty for a violation of Section 39.360 in which a business entity submitted false or incomplete information to the independent organization certified under Section 39.151 for the ERCOT power region may be in an amount not to exceed \$1 million for each violation.

SECTION 2. Section 39.151(g-7), Utilities Code, as added by Chapter 464 (S.B. 2013), Acts of the 88th Legislature, Regular Session, 2023, is redesignated as Section 39.151(g-8), Utilities Code, and amended to read as follows:

(g-8) [~~g-7~~] To maintain certification as an independent organization under this section, the organization must:

(1) identify all employee positions in the organization that are critical to the security of the electric grid; and

(2) before hiring a person for a position described by Subdivision (1), obtain:

(A) from the Department of Public Safety or a

1 private vendor, criminal history record information relating to the
2 prospective employee and any other background information
3 considered necessary by the independent organization or required by
4 the commission; and

5 (B) from the prospective employee, an
6 attestation regarding:

7 (i) any former travel by the prospective
8 employee to a country described by Section 117.002(a)(2)(A)(i),
9 Business & Commerce Code; and

10 (ii) any relationship between the
11 prospective employee and a foreign governmental entity or foreign
12 political organization.

13 SECTION 3. Section 39.360, Utilities Code, as added by
14 Chapter 464 (S.B. 2013), Acts of the 88th Legislature, Regular
15 Session, 2023, is amended by amending Subsections (a), (b), (c),
16 (d), and (e) and adding Subsections (d-1) and (j) to read as
17 follows:

18 (a) In this section, "company" and "critical
19 infrastructure" have the meanings assigned by Section 117.001
20 [~~113.001~~], Business & Commerce Code[, ~~as added by Chapter 975 (S.B.~~
21 ~~2116), Acts of the 87th Legislature, Regular Session, 2021~~].

22 (b) An independent organization certified under Section
23 39.151 may not register a business entity as a market participant or
24 maintain the registration of a business entity to operate as a
25 market participant in the power region for which the independent
26 organization is certified unless the business entity attests that
27 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~~].

(c) An independent organization certified under Section 39.151 shall require as a condition of operating as a market participant in the power region for which the independent organization is certified that a business entity report to the independent organization the purchase of any critical electric grid equipment or service from a company described by Section 117.002(a)(2) [~~113.002(a)(2)~~], Business & Commerce Code[, ~~as added by Chapter 975 (S.B. 2116), Acts of the 87th Legislature, Regular Session, 2021~~].

(d) For each purchase reported by a business entity under Subsection (c), the business entity shall submit an attestation to the independent organization that the purchase will not result in access to or control of its critical electric grid equipment by a company described by Section 117.002(a)(2) [~~113.002(a)(2)~~], Business & Commerce Code, [~~as added by Chapter 975 (S.B. 2116), Acts of the 87th Legislature, Regular Session, 2021,~~] excluding access specifically allowed by the business entity for product warranty and support purposes.

(d-1) An independent organization certified under Section 39.151 may:

(1) require as a condition of market participant registration that a business entity provide the independent organization with additional information to confirm the accuracy of an attestation or report required under Subsection (b), (c), or (d); and

1 (2) disclose information received under Subdivision
2 (1) or any other relevant information to the attorney general or the
3 commission.

4 (e) Notwithstanding any other law but subject to Section
5 39.151(d-4)(6), an independent organization certified under
6 Section 39.151 may immediately suspend or terminate a business
7 entity's ~~[company's]~~ registration as a market participant or access
8 to any of the independent organization's systems if the independent
9 organization has a reasonable suspicion that the business entity is
10 a company ~~[meets any of the criteria]~~ described by Section
11 2275.0102(a)(2) ~~[2274.0102(a)(2)]~~, Government Code~~[, as added by~~
12 ~~Chapter 975 (S.B. 2116), Acts of the 87th Legislature, Regular~~
13 ~~Session, 2021]~~.

14 (j) On request of an independent organization certified
15 under Section 39.151, the attorney general may investigate the
16 accuracy or sufficiency of information provided under this section
17 to the independent organization and disclose any new information
18 obtained in relation to the investigation to the independent
19 organization or the commission.

20 SECTION 4. To the extent of any conflict, this Act prevails
21 over another Act of the 89th Legislature, Regular Session, 2025,
22 relating to nonsubstantive additions to and corrections in enacted
23 codes.

24 SECTION 5. This Act takes effect September 1, 2025.