

By: Campbell, et al.

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 \$1,000,000 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 attestation
6 regarding:

7 (i) any former travel by the prospective
8 employee to a country described by Section 117.003, Business &
9 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) to the attorney general or the commission.

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

12 (j) The attorney general may investigate the accuracy or
13 sufficiency of information provided under this section to an
14 independent organization certified under Section [39.151](#) and
15 disclose any new information obtained in relation to the
16 investigation to the independent organization or the commission.

17 SECTION 4. 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 5. This Act takes effect September 1, 2025.