

1-1 By: Campbell, et al. S.B. No. 2368  
1-2 (In the Senate - Filed March 12, 2025; March 25, 2025, read  
1-3 first time and referred to Committee on Business & Commerce;  
1-4 April 9, 2025, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 10, Nays 0; April 9, 2025,  
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Schwertner	X			
1-10	King			X	
1-11	Blanco	X			
1-12	Campbell	X			
1-13	Creighton	X			
1-14	Johnson	X			
1-15	Kolkhorst	X			
1-16	Menéndez	X			
1-17	Middleton	X			
1-18	Nichols	X			
1-19	Zaffirini	X			

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 2368 By: Campbell

1-21 A BILL TO BE ENTITLED  
1-22 AN ACT

1-23 relating to affiliation with certain foreign entities of certain  
1-24 persons working or participating in the electricity market;  
1-25 increasing an administrative penalty.

1-26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-27 SECTION 1. Section 15.023, Utilities Code, is amended by  
1-28 adding Subsection (b-2) to read as follows:

1-29 (b-2) Notwithstanding Subsection (b), the penalty for a  
1-30 violation of Section 39.360 in which a business entity submitted  
1-31 false or incomplete information to the independent organization  
1-32 certified under Section 39.151 for the ERCOT power region may be in  
1-33 an amount not to exceed \$1 million for each violation.

1-34 SECTION 2. Section 39.360, Utilities Code, as added by  
1-35 Chapter 464 (S.B. 2013), Acts of the 88th Legislature, Regular  
1-36 Session, 2023, is amended by amending Subsections (a), (b), (c),  
1-37 (d), and (e) and adding Subsections (d-1) and (j) to read as  
1-38 follows:

1-39 (a) In this section, "company" and "critical  
1-40 infrastructure" have the meanings assigned by Section 117.001  
1-41 [~~113.001~~], Business & Commerce Code[, as added by Chapter 975 (S.B.  
1-42 2116), Acts of the 87th Legislature, Regular Session, 2021].

1-43 (b) An independent organization certified under Section  
1-44 39.151 may not register a business entity as a market participant or  
1-45 maintain the registration of a business entity to operate as a  
1-46 market participant in the power region for which the independent  
1-47 organization is certified unless the business entity attests that  
1-48 the entity complies with Chapter 117 [~~113~~], Business & Commerce  
1-49 Code[, as added by Chapter 975 (S.B. 2116), Acts of the 87th  
1-50 Legislature, Regular Session, 2021].

1-51 (c) An independent organization certified under Section  
1-52 39.151 shall require as a condition of operating as a market  
1-53 participant in the power region for which the independent  
1-54 organization is certified that a business entity report to the  
1-55 independent organization the purchase of any critical electric grid  
1-56 equipment or service from a company described by Section  
1-57 117.002(a)(2) [~~113.002(a)(2)~~], Business & Commerce Code[, as added  
1-58 by Chapter 975 (S.B. 2116), Acts of the 87th Legislature, Regular  
1-59 Session, 2021].

1-60 (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

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

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

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

SECTION 3. To the extent of any conflict, this Act prevails over another Act of the 89th Legislature, Regular Session, 2025, relating to nonsubstantive additions to and corrections in enacted codes.

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

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