

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

|      | Yea | Nay | Absent | PNV |
|------|-----|-----|--------|-----|
| 1-8  |     |     |        |     |
| 1-9  | X   |     |        |     |
| 1-10 |     |     | X      |     |
| 1-11 | X   |     |        |     |
| 1-12 | X   |     |        |     |
| 1-13 | X   |     |        |     |
| 1-14 | X   |     |        |     |
| 1-15 | X   |     |        |     |
| 1-16 | X   |     |        |     |
| 1-17 | X   |     |        |     |
| 1-18 | X   |     |        |     |
| 1-19 | 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

2-1 Subsection (c), the business entity shall submit an attestation to  
2-2 the independent organization that the purchase will not result in  
2-3 access to or control of its critical electric grid equipment by a  
2-4 company described by Section 117.002(a)(2) [~~113.002(a)(2)~~],  
2-5 Business & Commerce Code, [~~as added by Chapter 975 (S.B. 2116), Acts~~  
2-6 ~~of the 87th Legislature, Regular Session, 2021,~~] excluding access  
2-7 specifically allowed by the business entity for product warranty  
2-8 and support purposes.

2-9 (d-1) An independent organization certified under Section  
2-10 39.151 may:

2-11 (1) require as a condition of market participant  
2-12 registration that a business entity provide the independent  
2-13 organization with additional information to confirm the accuracy of  
2-14 an attestation or report required under Subsection (b), (c), or  
2-15 (d); and

2-16 (2) disclose information received under Subdivision  
2-17 (1) or any other relevant information to the attorney general or the  
2-18 commission.

2-19 (e) Notwithstanding any other law but subject to Section  
2-20 39.151(d-4)(6), an independent organization certified under  
2-21 Section 39.151 may immediately suspend or terminate a business  
2-22 entity's [~~company's~~] registration as a market participant or access  
2-23 to any of the independent organization's systems if the independent  
2-24 organization has a reasonable suspicion that the business entity is  
2-25 a company [~~meets any of the criteria~~] described by Section  
2-26 2275.0102(a)(2) [~~2274.0102(a)(2)~~], Government Code[~~, as added by~~  
2-27 Chapter 975 (S.B. 2116), Acts of the 87th Legislature, Regular  
2-28 Session, 2021].

2-29 (j) On request of an independent organization certified  
2-30 under Section 39.151, the attorney general may investigate the  
2-31 accuracy or sufficiency of information provided under this section  
2-32 to the independent organization and disclose any new information  
2-33 obtained in relation to the investigation to the independent  
2-34 organization or the commission.

2-35 SECTION 3. To the extent of any conflict, this Act prevails  
2-36 over another Act of the 89th Legislature, Regular Session, 2025,  
2-37 relating to nonsubstantive additions to and corrections in enacted  
2-38 codes.

2-39 SECTION 4. This Act takes effect September 1, 2025.

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