

## **BILL ANALYSIS**

Senate Research Center

S.B. 475  
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Business & Commerce  
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Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The electric grid is a complex, interconnected network of generation, transmission, distribution, control, and communication technologies, which are a natural target for cyber and security attacks. The electric industry has already taken significant steps to secure this increasingly interconnected system, but the threat of an attack on our grid, and the risks of a widespread outage, make clear that effective policies also must be developed to address these potential safety and security risks.

There are national standards, but technology is evolving rapidly, and the sophistication of cyberattacks is evolving with it. Texas is the only state in the lower 48 with an electric grid fully within its borders, making it appropriate for Texas to coordinate among its electric industry stakeholders. The purpose of this bill is to promote collaboration among utilities, generators, and regulators to ensure industry practices are shared, and that participants in the electric grid are able to defend against attacks.

The bill creates the Texas Electric Grid Security Council (council), an advisory body that will coordinate the sharing and implementation of best security practices. The council is comprised of:

- The chair of the Public Utility Commission of Texas, or a designee thereof, who will serve as presiding officer;
- The CEO of the Electric Reliability Council of Texas, or a designee thereof; and
- The governor, or a designee thereof.

The council may consult and coordinate with the Texas Division of Emergency Management, the United States Department of Energy, the United States Department of Homeland Security, the North American Electric Reliability Corporation, federal and state agencies, members of the electric industry and other grid security experts.

The governor or the chairs of the House State Affairs Committee and Senate Business & Commerce Committee may request recommendations of the council on the development of a grid security workforce, standards, and preparation. The council may develop a non-classified report to share with the governor, lieutenant governor, and legislature by the December 1 prior to a legislative session. (Original Author's/Sponsor's Statement of Intent)

S.B. 475 amends current law relating to an advisory body on the security of the electric grid.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter Z, Chapter 39, Utilities Code, by adding Section 39.917, as follows:

Sec. 39.917. TEXAS ELECTRIC GRID SECURITY COUNCIL. (a) Provides that the legislature finds that there is a public interest in mitigating the risk of cyber and physical attacks that may affect the reliability of electric systems operating in Texas. Establishes the Texas Electric Grid Security Council (council) as an advisory body to facilitate the creation, aggregation, coordination, and dissemination of best security practices for the electric industry, including the generation, transmission, and delivery of electricity.

(b) Establishes that the council is composed of:

(1) the commissioner designated as presiding officer of the Public Utility Commission of Texas under Section 12.052 (Presiding Officer) or a representative designated by the commissioner;

(2) the chief executive officer of the independent organization certified under Section 39.151 (Essential Organizations) for the ERCOT power region or a representative designated by the chief executive officer; and

(3) the governor or a representative designated by the governor.

(c) Requires the member of the council designated by Subsection (b)(1) to serve as presiding officer.

(d) Requires the council to convene at the call of the presiding officer.

(e) Provides that a member of the council is not entitled to compensation. Entitles members to reimbursement for travel and other necessary expenses related to the activities of the council as provided by the General Appropriations Act.

(f) Authorizes a member of the council to apply for a secret security clearance or an interim security clearance granted by the United States government. Prohibits a member of the council from accessing classified information or participating in a briefing or meeting involving classified information unless the member has a secret security clearance.

(g) Requires the independent organization certified under Section 39.151 to:

(1) provide information and resources requested by the council; and

(2) maintain nonclassified information obtained or created by the council, provide members of the council with access to the information, and retain the information for five years after the date that the council obtains or creates the information.

(h) Authorizes the council, in carrying out its functions, to consult and coordinate with certain entities, industry members, and experts.

(i) Requires the council, on a request by the governor, the lieutenant governor, the chair of the house of representatives committee having jurisdiction over energy utility regulation, or the chair of the senate committee having jurisdiction over energy utility regulation, to issue to the requestor certain recommendations.

(j) Authorizes the council to prepare a report outlining grid security response efforts that do not involve classified or highly sensitive, company-specific information. Requires the council, if the council prepares the report, to deliver the report to the governor, lieutenant governor, and legislature on or before the December 1 immediately preceding a regular session of the legislature.

(k) Provides that the meetings of the council and information obtained or created by the council are not subject to the requirements of Chapters 551 (Open Meetings) or 552 (Public Information), Government Code.

SECTION 2. Effective date: upon passage or September 1, 2019.