**REQUEST FOR INFORMATION (RFI) to Interconnecting Entities (IEs) Regarding COMPLIANCE WITH the** **Lone Star Infrastructure Protection Act**

1. **Background Information**

The Texas Legislature recently passed the Lone Star Infrastructure Protection Act,[[1]](#footnote-1) Senate Bill 2116, 87th Regular Session (the “Act”), which was signed by Governor Abbott on June 18, 2021, with immediate effect.[[2]](#footnote-2) The Act prohibits business and governmental entities from entering into an agreement that would grant direct or remote access to critical infrastructure with foreign companies from certain countries.[[3]](#footnote-3) The electric grid is included in the definition of “critical infrastructure.” Permitting an entity to interconnect a Generation Resource to the ERCOT System would constitute granting access to the “electric grid.”[[4]](#footnote-4) To ensure compliance with the Act, ERCOT is reviewing the ownership of all Interconnecting Entities (IEs) that have proposed Generation
Resource projects pending in ERCOT’s interconnection process.

The Act prohibits ERCOT from entering into an agreement that would grant access to the ERCOT System with companies[[5]](#footnote-5) that are:

* **owned by or the majority of stock or other ownership interest of the company is held or controlled by:**
* **individuals who are citizens of China, Iran, North Korea, Russia, or a designated country;[[6]](#footnote-6) or**
* **a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or**
* **headquartered in China, Iran, North Korea, Russia, or a designated country.**

The prohibition described above applies regardless of whether:

* **the company's or its parent company's securities are publicly traded; or**
* **the company or its parent company is listed on a public stock exchange as:**
* **a Chinese, Iranian, North Korean, or Russian company; or**
* **a company of a designated country.**

The Act further prohibits ERCOT from entering into an agreement that would grant access to the ERCOT System if the project would be located on real property that is owned or controlled by a company that meets the above criteria. This RFI requests that each IE execute an attestation form regarding compliance with the Act.[[7]](#footnote-7) If an attestation reflects that any of the statutory criteria apply to IE, ERCOT may provide notice of potential cancellation in accordance with the process established in the ERCOT Planning Guide, Section 5.7.7, Cancellation of a Project Due to Failure to Comply with Requirements. If an IE does not timely submit the attestation and achieve compliance with the Act, the IE’s project will be canceled.

1. **RFI Instructions and Attestation Form**

Please complete the attestation form on the following page and return the executed attestation to ERCOT via email to: LSIPA@ercot.com. **Executed attestations must be received by ERCOT no later than January 14, 2022.**

**ATTESTATION REGARDING COMPLIANCE WITH**

**THE Lone Star Infrastructure Protection Act**

**Interconnecting Entity (IE):**

**IE’s Interconnection Request (INR) number:**

Check the one box that applies [do not check both boxes]:

1. With respect to the above referenced IE and INR number and with respect to each Entity with an ownership interest in the real property to be utilized by the above referenced IE’s project (“Property Owner”), I hereby attest that:

[ ]  NONE of the following statements in paragraphs (A)-(C) are TRUE.

[ ]  ONE OR MORE of the following statements in paragraphs (A)-(C) are TRUE.

A) the IE or Property Owner, or a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the IE or Property Owner, is owned by:

(i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country;[[8]](#footnote-8) or

(ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or

B) the majority of stock or other ownership interest of the IE or Property Owner, or a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the above referenced IE or Property Owner is held or controlled by:

(i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country; or

(ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or

C) the IE or Property Owner, or a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the IE or Property Owner is headquartered in China, Iran, North Korea, Russia, or a designated country.

If you checked the second box above (i.e., ONE OR MORE statements are TRUE), then please provide the following additional information:

Name(s) of the entities or individuals that have a majority ownership interest in the IE:

Country of citizenship and/or headquarters location for each entity or individual listed:

Other information:

If you have any documentation confirming the above information, please submit it along with the attestation.

By signing below, I certify that I am an officer, executive, or authorized employee with authority to bind the IE listed above, that I am authorized to execute and submit this attestation on behalf of each IE listed above, and that the statements contained herein are true and correct.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature

Name

Title

Date

1. Tex. Bus. & Com. Code, Sections 113.001-003. [↑](#footnote-ref-1)
2. The full text of the Act (S.B. 2116) is available here: <https://capitol.texas.gov/tlodocs/87R/billtext/html/SB02116F.htm> [↑](#footnote-ref-2)
3. On September 23, 2021, the Office of the Attorney General of Texas issued an opinion letter analyzing the scope of the Act in response to a request submitted by Senator Donna Campbell. See Tex. Att’y Gen. Op. No. KP-0388 (2021). [↑](#footnote-ref-3)
4. See Tex. Att’y Gen. Op. No. KP-0388 (2021). [↑](#footnote-ref-4)
5. The Act also prohibits such an agreement with a company if any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the company meets any of the above referenced ownership or headquarters criteria. [↑](#footnote-ref-5)
6. ERCOT is not aware of any additional country, beyond those listed, that has been designated at this time under the Act. [↑](#footnote-ref-6)
7. In addition to this RFI, ERCOT will update existing rules and processes to ensure that Market Participants comply with the Act. [↑](#footnote-ref-7)
8. The term “designated country” as used in this attestation shall have the same meaning as the definition of that term in Texas Business and Commerce Code, Section 113.001(4). [↑](#footnote-ref-8)