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| NPRR Number | [1199](https://www.ercot.com/mktrules/issues/NPRR1199) | NPRR Title | Implementation of Lone Star Infrastructure Protection Act (LSIPA) Requirements |
| Date Posted | September 6, 2023 |
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| Requested Resolution  | Urgent – Urgent status is necessary to align the Protocols with new requirements within the Lone Star Infrastructure Protection Act (LSIPA) as quickly as possible. |
| Nodal Protocol Sections Requiring Revision  | 1.3.2.1, Items Considered ERCOT Critical Energy Infrastructure Information2.1, Definitions2.2, Acronyms and Abbreviations16.1.3, Market Participant Citizenship, Ownership, or Headquarters16.1.4, Market Participant Reporting of Critical Electric Grid Equipment and Services-Related Procurement (new)23, Form Q, Attestation Regarding Market Participant Citizenship, Ownership, or Headquarters23, Form R, Reporting and Attestation Regarding Procurement of Critical Electric Grid Equipment and Critical Electric Grid Services from a Lone Star Infrastructure Protection Act (LSIPA) Designated Company or LSIPA Designated Country (new) |
| Related Documents Requiring Revision/Related Revision Requests | None |
| Revision Description | This Nodal Protocol Revision Request (NPRR) revises the Protocols to reflect new requirements added to the LSIPA as part of Senate Bill (SB) 2013 during the 88th regular legislative session. Specifically, this NPRR makes the following changes to the Protocols: * Adds definitions of “Critical Electric Grid Equipment,” “Critical Electric Grid Services,” “Lone Star Infrastructure Protection Act (LSIPA) Designated Company,” and “Lone Star Infrastructure Protection Act (LSIPA) Designated Country” to Section 2.1;
* Adds paragraph (5) to Section 16.1.3, reflecting ERCOT’s statutory authorization, established in SB 2013, to immediately suspend or terminate a Market Participant’s registration or access to any of ERCOT’s systems if ERCOT has a reasonable suspicion that the Entity meets any of the criteria described by Section 2274.0102(a)(2), Government Code, as added by Chapter 975 (S.B. 2116), Acts of the 87th Legislature, Regular Session, 2021;
* Adds Section 16.1.4, establishing new reporting and attestation requirements for Critical Electric Grid Equipment and Critical Electric Grid Services procurements by Market Participants and entities that seek to register as Market Participants;
* Amends Section 23 to add Form R, which shall be used by Market Participants and applicants for Market Participant registration to comply with the reporting and attestation requirements in Section 16.1.4;
* Updates Section 16.1.3 and Section 23, Form Q using the new defined terms, where appropriate; and
* Amends Section 1.3.2.1 to provide that certain information submitted on Form R shall constitute ERCOT Critical Energy Infrastructure Information (ECEII) under the Protocols.

ERCOT welcomes comments from Market Participants on the requirements proposed in this NPRR. We are aware that some Market Participants may have obligations under the North American Electric Reliability Corporation’s (NERC’s) Critical Infrastructure Protection (CIP) standards. ERCOT has evaluated options for incorporating NERC definitions in the Protocols in order to identify the types of critical grid equipment for which procurement of equipment and services must be reported. At this time, ERCOT has decided not to adopt NERC terms in this NPRR, although the NPRR incorporates language from NERC’s definition of “Bulk Electric System (BES) Cyber Asset” into the proposed definition of Critical Electric Grid Equipment. ERCOT has determined that the use of NERC terms is generally not an effective solution for this NPRR due to (1) the different regulatory objectives of LSIPA and NERC CIP and (2) certain disparities between the definitions used in the ERCOT Protocols and NERC CIP. However, ERCOT will gladly review and consider any Market Participant comments recommending the incorporation of language that is based on NERC CIP or other industry standards for critical grid infrastructure protection.  |
| Reason for Revision |  Addresses current operational issues. Meets Strategic goals (tied to the [ERCOT Strategic Plan](https://www.ercot.com/files/docs/2018/12/13/ERCOT_Strategic_Plan_2019-2023.pdf) or directed by the ERCOT Board). Market efficiencies or enhancements Administrative Regulatory requirements Other: (explain)*(please select all that apply)* |
| Business Case | This NPRR is needed to implement legislative requirements established in SB 2013, which amended the LSIPA to add new reporting and attestation obligations aimed at ensuring that ERCOT Market Participants do not procure critical electric grid equipment or services that would allow access to or control of critical electric grid equipment by citizens of or businesses associated with the countries of China, Iran, Russia, North Korea, and any other country designated by the Governor as a threat to critical infrastructure. This NPRR supports the security of the ERCOT grid.  |

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| Cell Number |  |
| Market Segment | Not applicable |

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| **Market Rules Staff Contact** |
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| **Phone Number** | 512-248-6464 |

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| Proposed Protocol Language Revision |

**1.3.2.1 Items Considered ERCOT Critical Energy Infrastructure Information**

(1) ECEII includes but is not limited to the following, so long as such information has not been disclosed to the public through lawful means:

(a) Detailed ERCOT System Infrastructure locational information, such as Global Positioning System (GPS) coordinates;

(b) Information that reveals that a specified contingency or fault results in instability, cascading or uncontrolled separation;

(c) Studies and results of simulations that identify cyber and physical security vulnerabilities of ERCOT System Infrastructure;

(d) Black Start Service (BSS) test results, individual Black Start Resource start-up procedures, cranking paths, and ERCOT and individual TSP Black Start plans;

(e) Information contained in Section 1.B. and Exhibit 1 to the Standard Form Black Start Agreement (Section 22, Attachment D, Standard Form Black Start Agreement), except for the Hourly Standby Price, Notice, and Certification sections. This includes, without limitation, the following information that could identify a Generation Resource as a Black Start Resource:

(i) Resource name;

(ii) Resource ID;

(iii) County where the Resource is located;

(iv) Interconnected substation;

(v) Resource MW capability; and

(vi) Tested next start units;

(f) Emergency operations plans, including ERCOT’s emergency operations plan and any emergency operations plan submitted to ERCOT pursuant to any PUCT rule or North American Electric Reliability Corporation (NERC) Reliability Standard;

(g) Detailed ERCOT Transmission Grid maps, other than maps showing only small portions of the ERCOT Transmission Grid such as those included in Regional Planning Group (RPG) Project ERCOT Independent Review reports;

(h) Detailed diagrams or information about connectivity between ERCOT’s and other Entities’ computer and telecommunications systems, such as internet protocol (IP) addresses, media access control (MAC) addresses, network protocols, and ports used; and

(i) Information contained in Section 23, Form R, Reporting and Attestation Regarding Procurement of Critical Electric Grid Equipment and Critical Electric Grid Services from an LSIPA Designated Company, submitted to ERCOT that:

(i) Identifies Critical Electric Grid Equipment and Critical Electric Grid Services procured from an LSIPA Designated Company;

(ii) Describes how such procurement of Critical Electric Grid Equipment or Critical Electric Grid Services relates to the operation of the grid;

(iii) Provides an attestation as to whether such procurement of Critical Electric Grid Equipment or Critical Electric Grid Services will result in access to or control of Critical Electric Grid Equipment by an LSIPA Designated Company; or

(iv) Identifies any measures taken to ensure that the procurement of Critical Electric Grid Equipment or Critical Electric Grid Services will not result in access to or control of Critical Electric Grid Equipment by an LSIPA Designated Company; and

(j) Any information that is clearly designated as ECEII in writing by the Disclosing Party at the time the information is provided to Receiving Party, subject to the procedures set forth in paragraph (3) of Section 1.3.2.2, Submission of ERCOT Critical Energy Infrastructure Information to ERCOT.

## 2.1 DEFINITIONS

**Critical Electric Grid Equipment**

Equipment that, if destroyed, degraded, misused, or otherwise rendered unavailable would, within 24 hours or less of its mis-operation, non-operation, or required operation, adversely impact the reliable operation of ERCOT System Infrastructure. Redundancy of affected facilities, systems, and equipment shall not be considered when determining adverse impact. Critical Electric Grid Equipment also includes equipment used to access the ERCOT Wide Area Network (WAN) or Market Information System (MIS).

**Critical Electric Grid Services**

Services provided by a vendor relating to the operation, control, monitoring, maintenance, or use of Critical Electric Grid Equipment.

**ERCOT System Infrastructure**

The Transmission Facilities, distribution facilities, Resources, Settlement Only Generators (SOGs), and Emergency Response Service (ERS) Resources that comprise the ERCOT System and the physical and virtual cyber assets used to control the ERCOT System.

**Lone Star Infrastructure Protection Act (LSIPA) Designated Company**

An Entity that meets any of the company ownership (including Affiliates) or headquarters criteria listed in Texas Business and Commerce Code, Sections 113.002(a)(2)(A)-(b)(2)(B) or 2274.0102(a)(2)(A)-(b)(2)(B), added by Act of June 18, 2021, 87th Leg., R.S., Ch. 975 (S.B. 2116).

**Lone Star Infrastructure Protection Act (LSIPA) Designated Country**

China, Iran, North Korea, Russia, or a country designated by the Governor as a threat to critical infrastructure pursuant to Texas Business and Commerce Code, Sections 113.003 or 2274.0103, added by Act of June 18, 2021, 87th Leg., R.S., Ch. 975 (S.B. 2116).

## 2.2 ACRONYMS AND ABBREVIATIONS

**LSIPA** Lone Star Infrastructure Protection Act

16.1.3 Market Participant Citizenship, Ownership, or Headquarters

(1) An Entity is not eligible to register or maintain its registration with ERCOT as a Market Participant if the Entity:

(a) Is a person who is a citizen of a Lone Star Infrastructure Protection Act (LSIPA) Designated Country; or

(b) Is an LSIPA Designated Company.

(2) If an Entity meets any of the above listed criteria solely due to the citizenship, ownership, or headquarters of a wholly owned subsidiary, majority-owned subsidiary, or Affiliate, the Entity may be eligible to register as a Market Participant if it certifies that the subsidiary or Affiliate at issue will not have direct or remote access to or control of ERCOT’s Wide Area Network (WAN), Market Information System (MIS), or any data from such ERCOT systems.

(3) Any Entity that seeks to register as a Market Participant shall submit an attestation as reflected in Section 23, Form Q, Attestation Regarding Market Participant Citizenship, Ownership, or Headquarters, certifying that the Entity complies with the above criteria.

(4) If there are changes to a Market Participant’s citizenship, ownership, or headquarters such that the Market Participant meets any of the prohibited company citizenship, ownership (including Affiliations), or headquarters criteria of an LSIPA Designated Company, then the Market Participant shall execute and submit a new attestation to ERCOT within ten Business Days of the change becoming effective.

(5) ERCOT may immediately suspend or terminate a Market Participant’s registration or access to any of ERCOT’s systems if ERCOT has a reasonable suspicion that the Entity meets any of the criteria described by paragraph (1) above.

***16.1.4* Market Participant Reporting of Critical Electric Grid Equipment and Services-Related Procurement**

(1) As a condition of registering and maintaining registration with ERCOT as a Market Participant, an Entity shall report to ERCOT the purchase, lease, or receipt (referred to in this Section as a “procurement”) of any Critical Electric Grid Equipment or Critical Electric Grid Services from a Lone Star Infrastructure Protection Act (LSIPA) Designated Company or an LSIPA Designated Country. This includes, but is not limited to, a procurement of Critical Electric Grid Equipment or Critical Electric Grid Services that were manufactured, produced, created, or otherwise provided by an LSIPA Designated Company and subsequently sold to the Entity by a non-LSIPA Designated Company. For each reported procurement, the Entity shall attest that the procurement will not result in access to or control of Critical Electric Grid Equipment by an LSIPA Designated Company or an LSIPA Designated Country, excluding access specifically allowed by the Entity for product warranty and support purposes.

(2) Market Participants and Entities applying for registration with ERCOT shall submit a report and attestation, on the form reflected in Section 23, Form R, identifying any procurement described in paragraph (1) above that occurred during the following time periods:

(a) For a Market Participant, procurement(s) that were made on or after June 8, 2018; and

(b) For an Entity applying for registration with ERCOT, procurement(s) that were made within the five years preceding the date it signed the Standard Form Agreement.

(3) Market Participants shall submit a report and attestation, on the form reflected in Section 23, Form R, identifying any procurement(s) described in paragraph (1) above that occur after the date(s) of the procurements reported pursuant to paragraph (2) above and have not already been reported pursuant to this Section.

(4) Reports and attestations submitted pursuant to paragraph (3) above shall be submitted within 60 days of the date of the earliest procurement identified in the report.

**ERCOT Nodal Protocols**

**Section 23**

**Form Q: Attestation Regarding Market Participant Citizenship, Ownership, or Headquarters**

**TBD**

**Attestation Regarding Market Participant Citizenship, Ownership, or Headquarters**

**Legal Name of Market Participant (Applicant):**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Legal Address of Applicant:**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**Applicant DUNS Number:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

1. With respect to the above referenced Applicant, I hereby attest that:

 NONE of the following statements in paragraphs (A) - (D) are TRUE.

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

(A) The Applicant, or a wholly-owned subsidiary, majority-owned subsidiary, parent company, or Affiliate of the Applicant, is owned by:

(i) Individuals who are citizens of a Lone Star Infrastructure Protection Act (LSIPA) 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 an LSIPA Designated Country; or

(B) The majority of stock or other ownership interest of the Applicant, or a wholly-owned subsidiary, majority-owned subsidiary, parent company, or Affiliate of the Applicant is held or controlled by:

(i) Individuals who are citizens of an LSIPA 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 an LSIPA Designated Country; or

(C) The Applicant, or a wholly-owned subsidiary, majority-owned subsidiary, parent company, or Affiliate of the Applicant is headquartered in an LSIPA Designated Country; or

(D) The Applicant is a person and is a citizen of an LSIPA Designated Country.

**If you checked the box for “ONE OR MORE of the following statements in paragraphs (A) - (D) are TRUE” solely because a wholly-owned subsidiary, majority-owned subsidiary, or Affiliate meets any of the citizenship or headquarters criteria listed above, then please answer question 2 below.**

2. With respect to the subsidiary or Affiliate at issue, check the one box that applies [do not check both boxes]:

 The subsidiary or Affiliate will NOT have direct or remote access to or control of ERCOT’s Wide Area Network (WAN), Market Information System (MIS), or any data from such ERCOT systems.

 The subsidiary or Affiliate will have direct or remote access to or control of ERCOT’s WAN, MIS, or any data from such ERCOT systems.

By signing below, I certify that I am authorized to bind the Applicant listed above, that I am authorized to execute and submit this attestation on behalf of Applicant, and that the statements contained herein are true and correct.

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

Signature

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

Name

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Title

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Date

**ERCOT Nodal Protocols**

**Section 23**

**Form R: Reporting and Attestation Regarding Procurement of Critical Electric Grid Equipment and Critical Electric Grid Services from a Lone Star Infrastructure Protection Act (LSIPA) Designated Company or LSIPA Designated Country**

**TBD**

**Reporting and Attestation Regarding Procurement of Critical Electric Grid Equipment and Critical Electric Grid Services from a Lone Star Infrastructure Protection Act (LSIPA) Designated Company** **or LSIPA Designated Country**

This form should be submitted to LSIPA@ercot.com in accordance with the deadlines provided in Section 16.1.4, Market Participant Reporting of Critical Electric Grid Equipment and Services-Related Procurement.

**Legal Name of Applicant or Market Participant:**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Legal Address of Applicant or Market Participant:**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**Applicant or Market Participant DUNS Number:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

1. With respect to the above referenced Applicant or Market Participant, I hereby attest that the following statement is either true or not true, as indicated below:

The Market Participant or Applicant has procured Critical Electric Grid Equipment or Critical Electric Grid Services from an LSIPA Designated Company or LSIPA Designated Country within one of the time periods described in paragraph (2) or (3) of Section 16.1.4.

 The above statement is TRUE.

 The above statement is NOT TRUE.

**If you checked the box for “TRUE” in question 1, then please complete sections 2 and 3 below.**

2. **List each procurement of Critical Electric Grid Equipment or Critical Electric Grid Services from an LSIPA Designated Company or LSIPA Designated Country that occurred in the time periods described in paragraph (2) or (3) of Section 16.1.4 and has not already been reported to ERCOT under Section 16.1.4.** **For each procurement, please provide:**

**a. A description of the Critical Electric Grid Equipment or Critical Electric Grid Service procured:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**b. The name of the LSIPA Designated Company from which the procurement was made and the LSIPA Designated Country with which it is associated (or, if applicable, the name of the LSIPA Designated Country from which the procurement was made):**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**c. The date on which the procurement was made:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**d. A general description of how each piece of equipment or service relates to the operation of ERCOT System Infrastructure:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**e. A description of the measures taken to ensure that the procurement will NOT result in access to or control of Critical Electric Grid Equipment by an LSIPA Designated Company or an LSIPA Designated Country, excluding access allowed by the Applicant or Market Participant for product warranty and support purposes:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

3. With respect to the procurement at issue:

 I attest that the following procurement(s) described in my response to question 2 above will NOT result in access to or control of Critical Electric Grid Equipment by an LSIPA Designated Company or LSIPA Designated Country, excluding access specifically allowed for product warranty and support purposes:

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

 I attest that the following procurement(s) described in my response to question 2 above WILL result in access to or control of Critical Electric Grid Equipment by an LSIPA Designated Company or LSIPA Designated Country:

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

4. If the Applicant or Market Participant attests that a procurement from an LSIPA Designated Company or an LSIPA Designated Country WILL result in access to or control of Critical Electric Grid Equipment by an LSIPA Designated Company or LSIPA Designated Country, then please describe the access to or control of Critical Electric Grid Equipment that was created by the procurement. Please also list any actions the Applicant or Market Participant has taken to mitigate the risks associated with such access or control:

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

By signing below, I certify that I am authorized to bind the Applicant or Market Participant listed above, that I am authorized to execute and submit this attestation on behalf of such Applicant or Market Participant, and that the statements contained herein are true and correct.

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

Signature

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

Name

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Title

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Date