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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 |
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| Date | January 5, 2024 |
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| Submitter’s Information |
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| Company | ERCOT  |
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| Cell Number |  |
| Market Segment | Not applicable |

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| Comments |

ERCOT again requests that PRS vote to grant Urgent status for this NPRR and recommend approval of this Nodal Protocol Revision Request (NPRR) with the revisions made in ERCOT’s comments.

ERCOT has considered additional feedback from stakeholders provided at the December 2023 PRS meeting, and has met with Market Participants (including CPS, AEP, NRG, Oncor, and Market Participants that filed comments as Joint Commenters) to discuss their feedback on NPRR1199. ERCOT has also reviewed and considered written comments submitted after ERCOT filed its first set of comments on December 8, 2023.

In consideration of these stakeholder discussions and comments, ERCOT submits changes to NPRR1199 that:

* Revise the definition of “Critical Electric Grid Equipment” to clarify that equipment that can access **the Market Information System (MIS) or Wide Area Network (WAN)** is only critical if the destruction, disabling, misuse, etc. of that equipment would, within 15 minutes, adversely impact the reliable operation of ERCOT System Infrastructure (which is consistent with the standard already proposed for equipment that can access ERCOT System Infrastructure directly);
* Revise the definition of “Critical Electric Grid Services” to provide that the term excludes access specifically allowed by the purchaser for product warranty and support purposes, which further reflects the exclusion in the Lone Star Infrastructure Protection Act (LSIPA) (although note that ERCOT had also previously incorporated this standard into Section 16.1.4);
* Add a definition of “LSIPA Affiliate” in Section 2.1;
* Revise Section 16.1.3 to provide a knowledge standard based on “the best of the Entity’s knowledge and belief following reasonable diligence” for the Section 23, Form Q attestation regarding Market Participant citizenship, ownership, and headquarters criteria;
* Replace the defined term “procurement” with the term “purchase” in Section 16.1.4 and throughout this NPRR;
* Revise paragraph (1) of Section 16.1.4 to provide for a new knowledge standard for reporting and attesting to Critical Electric Grid Equipment and Critical Electric Grid Services purchases;
* Revise paragraph (1) of Section 16.1.4 to provide that, for purchases made before the LSIPA’s effective date on June 8, 2023, an Entity only needs to take reasonable and necessary actions to mitigate access to or control of its Critical Electric Grid Equipment by an LSIPA Designated Company or LSIPA Designated Country (which is consistent with SB 2013 requirements);
* Provide a deadline of 180 days from the effective date of this NPRR (October 28, 2024, if approved by the Public Utility Commission of Texas (PUCT) at the April 11, 2024 Open Meeting) for submitting an initial report and attestation regarding Critical Electric Grid Equipment and Critical Electric Grid Services purchases and for reporting any reasonable and necessary actions taken to mitigate access to or control of Critical Electric Grid Equipment by an LSIPA Designated Company or an LSIPA Designated Country (excluding access specifically allowed for product warranty and support purposes);
* Revise Section 23, Form Q and the proposed Section 23, Form S to incorporate knowledge standards into the attestation sections of each form (which correspond to the knowledge standards provided in Section 16 of the Protocols for these attestations); and
* Revise the proposed Section 23, Form S to include a section in which an Entity may report reasonable and necessary actions taken to mitigate an LSIPA Designated Company or LSIPA Designated Country’s access to or control of Critical Electric Grid Equipment (only for purchases made before June 8, 2023).

After careful consideration, ERCOT has incorporated some of the recommendations made by Market Participants (as discussed above) and has declined to adopt others. ERCOT declines to adopt the following recommendations on the grounds stated below:

**Removal of Maintenance Equipment from the Definition of “Critical Electric Grid Services”**

Some commenters have recommended deleting the term “maintenance” from ERCOT’s proposed definition of “Critical Electric Grid Services,” which currently reads: “Services provided by a vendor relating to the operation, control, monitoring, maintenance, or use of Critical Electric Grid Equipment.” These commenters assert that “maintenance” should be removed because the LSIPA excludes access specifically allowed for product warranty and support purposes from the scope of prohibited access to or control of Critical Electric Grid Equipment by an LSIPA Designated Company.

ERCOT does not support this recommended change. The term “maintenance” is broader than “product warranty and support,” encompassing work performed by third-party vendors that does not fall within the scope of the product warranty and support services that might be performed by an equipment manufacturer or software services provider. ERCOT has already incorporated the LSIPA’s exclusion for product warranty and support in paragraph (1) of Section 16.1.4 of this NPRR. Deleting the term “maintenance” from the definition of “Critical Electric Grid Services” is not necessary to ensure that the statutory exclusion is reflected in the Protocols.

However, to address the concern that these commenters have raised, ERCOT has revised the definition of “Critical Electric Grid Services” to provide that the term excludes access specifically allowed by the purchaser for product warranty and support purposes. This language aligns with SB 2013, and applies not only to maintenance, but also to the other activities listed in the definition of Critical Electric Grid Services.

**Opening a Reseller Loophole: Elimination of Reporting/Attestation Requirements for Critical Electric Grid Equipment and Services Manufactured, Produced, Created, or Otherwise Provided by an LSIPA Designated Company (But Not Directly Purchased from that Company)**

Several Market Participants have asked ERCOT to eliminate reporting and attestation requirements for Critical Electric Grid Equipment and Critical Electric Grid Services that were not sold directly to a Market Participant by an LSIPA Designated Company. These Market Participants assert that upstream investigations into their supply chains would be unduly burdensome and potentially infeasible.

ERCOT opposes this recommendation. This would create a major “reseller loophole” in the rule that would incentivize vendors to create non-LSIPA companies that resell Critical Electric Grid Equipment and Critical Electric Grid Services from LSIPA Designated Companies to Market Participants. The existence of such a loophole would obviate many of the security benefits that would otherwise be created by NPRR 1199. If this loophole is not closed, products made in countries hostile to the United States will still find their way into Critical Grid Electric Equipment with little to no oversight.

However, as described above in the summary of new revisions introduced in these comments, ERCOT and stakeholders have reached a compromise on the scope of the reseller requirements. ERCOT has adopted a knowledge standard in paragraph (1)(a) of Section 16.1.4 based on Market Participants’ recommendations, which provides that in paragraph (1) of Section 16.1.4 and Section 23, Form S, the term “‘known’ refers to the Entity’s actual knowledge or knowledge that the Entity could have obtained through reasonable inquiry with respect to any clearly evident, non-obscure information indicating that the equipment or service was manufactured, produced, created, or otherwise provided by an LSIPA Designated Company.”

Following discussions with Market Participants, ERCOT has also adopted a revised paragraph (1)(b) of Section 16.1.4, which provides that Section 16.1.4 does not require an Entity to conduct diligence or otherwise inquire as to the identity or location of a manufacturer, producer, or creator of Critical Electric Grid Equipment or Critical Electric Grid Services if the Entity has obtained a contractual representation from the seller that the equipment or services in question were not manufactured, produced, created, or otherwise provided by an LSIPA Designated Company.

**Limiting Reporting and Attestation Requirements to LSIPA Affiliates in the Critical Electric Grid Equipment or Services Business (Not an Unrelated Line of Business)**

Market Participants have proposed limiting the reporting and attestation requirements to an LSIPA Affiliate that “manufactures, sells, leases, or provides Critical Electric Grid Equipment or sells or provides Critical Electric Grid Services,” rather than include LSIPA Affiliates in unrelated lines of business.

ERCOT opposes this proposed change. If implemented, reporting and attestation requirements would not apply to a number of LSIPA Affiliates that, while in an unrelated line of business, should not have access to Critical Electric Grid Equipment or Critical Electric Grid Services. For example, as a result of this proposed change, NPRR1199’s requirements would not apply to a parent company that is in an unrelated business, but that controls a company from which a Market Participant purchases Critical Electric Grid Equipment. If this parent company is an LSIPA Designated Company, it should not have access to or control of Critical Electric Grid Equipment, and the safeguards provided in this NPRR should apply.

However, as discussed above, ERCOT and stakeholders have reached agreement on language that would limit the scope of NPRR1199’s applicability to affiliates. ERCOT adopted a definition of “Lone Star Infrastructure Protection Act (LSIPA) Affiliate” that provides a limited scope for identifying an LSIPA Affiliate based on certain control and ownership standards. This new definition excludes affiliates that have only a tangential relationship to a supplier of Critical Electric Grid Equipment or Critical Electric Grid Services.

**Elimination of the “Reasonable Inquiry” Standard from the Attestation Requirement**

Some Market Participants have recommended deleting the “reasonable inquiry” requirement from NPRR1199’s proposed Section 16.1.4.

These commenters assert that the “reasonable inquiry” standard should be removed because it is not included in the LSIPA. They also claim that they do not know what “reasonableness” would mean in the context of this requirement.

ERCOT has included the “reasonable inquiry” requirement to set a standard for what is considered an appropriate level of constructive knowledge.

The standard of “reasonableness” is so common throughout the law that it is familiar to all who study and practice law, from first-year law students to seasoned attorneys. The field of Texas electric utility law is no exception. The term “reasonable” appears more than 200 times in the Protocols, and it is also found throughout the Public Utility Regulatory Act and Public Utility Commission of Texas rules.[[1]](#footnote-1) Compliance specialists and experts in the NERC standards are also well-versed in standards based on reasonableness.

Based on the foregoing, ERCOT believes that “reasonable” is an appropriate term for defining the level of inquiry that would satisfy the constructive knowledge standard in this NPRR.

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| Revised Cover Page Language |

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| 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 Purchase (new)23, Form Q, Attestation Regarding Market Participant Citizenship, Ownership, or Headquarters23, Form S, Reporting and Attestation Regarding Purchase 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) |
| 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) Affiliate,” “Lone Star Infrastructure Protection Act (LSIPA) Designated Company,” and “Lone Star Infrastructure Protection Act (LSIPA) Designated Country” to Section 2.1;
* Amends the definitions of “Affiliate” and “ERCOT System Infrastructure” in Section 2.1;
* Amends paragraph (3) to Section 16.1.3 to incorporate a new knowledge standard for that attestation;
* 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 purchases by Market Participants and entities that seek to register as Market Participants;
* Amends Section 23 to add Form S, 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 and knowledge standard, where appropriate; and
* Amends Section 1.3.2.1 to provide that certain information submitted on Form S shall constitute ERCOT Critical Energy Infrastructure Information (ECEII) under the Protocols.

ERCOT welcomes comments from Market Participants on the requirements proposed in this NPRR. ERCOT is 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 purchase 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.  |

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| Revised Proposed Protocol Language |

**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 S, Reporting and Attestation Regarding Purchase 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 purchased from an LSIPA Designated Company;

(ii) Describes how such purchase 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 purchase 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 purchase 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**

**Affiliate**

(1) An Entity that directly or indirectly owns or holds at least 5% of the voting securities of a Market Participant; or

(2) An Entity in a chain of successive ownership of at least 5% of the voting securities of a Market Participant; or

(3) An Entity that has at least 5% of its voting securities owned or controlled, directly or indirectly, by a Market Participant; or

(4) An Entity that has at least 5% of its voting securities owned or controlled, directly or indirectly, by an Entity who directly or indirectly owns or controls at least 5% of the voting securities of a Market Participant or an Entity in a chain of successive ownership of at least 5% of the voting securities of a Market Participant; or

(5) A person who is an officer or director of a Market Participant or of a corporation in a chain of successive ownership of at least 5% of the voting securities of a Market Participant.

(6) Notwithstanding any part of this definition, any Entity that would be considered an Affiliate due to its participation in a chain of successive ownership of a Market Participant shall not for that reason be considered an Affiliate if:

(a) It does not own 50% or more of the voting securities of any other Entity in the chain; or

(b) Its participation in the chain is only as a successive owner of an Entity in the chain that does not own 50% or more of the voting securities of another Entity in that chain.

(7) Provided that the Entity holding ownership or control of voting securities in a Market Participant does not hold such ownership or control for the purpose of exercising or influencing control of that Market Participant, then for the purposes of that relationship, the term "Entity," as used in this definition, shall not include:

(a) A broker or dealer registered under the Securities Exchange Act of 1934, 15 U.S.C. § 78;

(b) A bank or insurance company as defined under the Securities Exchange Act of 1934, 15 U.S.C. § 78;

(c) An investment adviser registered under state law or the Investment Advisers Act of 1940, 15 U.S.C. §§ 80b1-80b21;

(d) An investment company registered under the Investment Company Act of 1940, 15 U.S.C. §§ 80a1-80a64; or

(e) An employee benefit plan, pension fund, endowment fund, or other similar entity.

(8) ERCOT may request either of the following as conclusive evidence of the purpose required in paragraph (7) above:

(a) An affidavit attesting to that purpose if such affidavit is signed by the Entity owning the securities; or

(b) A report reflecting that purpose filed by the owning entity with the Securities and Exchange Commission.

(9) Notwithstanding any other provision of this Section 2.1, “Affiliate” includes any Entity determined by the Public Utility Commission of Texas (PUCT) to be an Affiliate.(10) The Affiliate of a Lone Star Infrastructure Protection Act (LSIPA) Designated Company shall be determined under the definition of “LSIPA Affiliate.” **Critical Electric Grid Equipment**

(1) Equipment that can be used to gain remote access to or control of ERCOT System Infrastructure, the ERCOT Wide Area Network (WAN), or Market Information System (MIS), if such equipment, if destroyed, degraded, misused, or otherwise rendered unavailable would, within 15 minutes 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.

(2) This definition only applies to equipment that may be remotely accessed or controlled.

(3) For Load Resources, this definition only applies to equipment used to send and receive ERCOT telemetry and ERCOT Dispatch Instructions.

(4) For purposes of this definition, “reliable operation of ERCOT System Infrastructure” means operating elements of ERCOT System Infrastructure within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of ERCOT System Infrastructure will not occur as a result of a sudden disturbance, including a cybersecurity incident, or unanticipated failure of system elements.

**Critical Electric Grid Services**

Services provided by a vendor relating to the operation, control, monitoring, maintenance, or use of Critical Electric Grid Equipment, excluding access specifically allowed by the purchaser for product warranty or support purposes.

**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) Affiliate**

With respect to any LSIPA Designated Company, any person who, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the LSIPA Designated Company. For purposes of this definition, “controls,” “controlled by,” or “under common control with” shall mean the power of a person, directly or indirectly, through one or more intermediaries, to direct the management and/or policies and procedures of another person, whether through voting securities or contract. Ownership by a person of equity securities (whether publicly traded or not) of another person shall not result in control for purposes of this definition if: (1) the holder owns (in its name or via intermediaries) less than 20 percent of the outstanding securities of the person; or (2) the holder owns (in its name or via intermediaries) 20 percent or more of the outstanding securities of the person, and: (a) the securities are held as an investment; (b) the holder does not have representation on the person’s board of directors (or equivalent governing body) or vice versa; and (c) the holder does not in fact exercise influence over day to day management decisions.

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

An Entity (including an LSIPA Affiliate) that meets any of the company ownership or headquarters criteria listed in Texas Business and Commerce Code, Section 117.002(a)(2)(A)-(b)(2)(B) or Texas Government Code Section 2275.0102(a)(2)(A)-(b)(2)(B).

**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, Section 117.003 or Texas Government Code, Section 2275.0103.

**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 LSIPA Affiliate, the Entity may be eligible to register as a Market Participant if it certifies that the subsidiary or LSIPA 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, to the best of the Entity’s knowledge and belief following reasonable diligence.

(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 Purchases**

(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 “purchase”) of any Critical Electric Grid Equipment or Critical Electric Grid Services that the Entity knows to be from a Lone Star Infrastructure Protection Act (LSIPA) Designated Company or an LSIPA Designated Country. This includes, but is not limited to, a purchase of Critical Electric Grid Equipment or Critical Electric Grid Services that were manufactured, produced, created, or otherwise provided by a company known to the Entity to be an LSIPA Designated Company and subsequently sold to the Entity by a non-LSIPA Designated Company.

(a) As used in this Section 16.1.4 and Section 23, Form S, the terms “knows,” “known,” and “knowledge” refer to the Entity’s actual knowledge or knowledge that the Entity could have obtained through reasonable inquiry with respect to any clearly evident, non-obscure information indicating that the equipment or service was manufactured, produced, created, or otherwise provided by an LSIPA Designated Company.

(b) If the Entity obtains a contractual representation from the seller of Critical Electric Grid Equipment or Critical Electric Grid Services that the equipment or services were not manufactured, produced, created, or otherwise provided by an LSIPA Designated Company, then absent some clearly evident, non-obscure information raising such suspicion, this Section 16.1.4 does not require the Entity to conduct diligence or otherwise inquire as to the identity or location of the manufacturer, producer, or creator of the Critical Electric Grid Equipment or Critical Electric Grid Services that the Entity purchases or any component parts thereof.

(c) For each reported purchase made after June 8, 2023, the Entity shall attest that the purchase 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.

(d) For any purchases made before June 8, 2023, the Entity shall take reasonable and necessary actions to mitigate access to or control of its Critical Electric Grid Equipment by a company known to the Entity to be an LSIPA Designated Company (including an LSIPA Affiliate only if the LSIPA Affiliate has some degree of influence or control over the policies and actions of the LSIPA Designated Company) or an LSIPA Designated Country, excluding access specifically allowed by the Entity for product warranty and support purposes, and shall report those actions to ERCOT on the form reflected in Section 23, Form S.

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

(a) For a Market Participant, purchase(s) that were made on or after June 8, 2018. This initial report and attestation shall be submitted by October 28, 2024; and

(b) For an Entity applying for registration with ERCOT, purchase(s) that were made within the five years preceding the date on which the Entity signed the Standard Form Agreement. This initial report and attestation must be submitted before ERCOT may approve registration.

(3) A Market Participant shall submit a report and attestation, on the form reflected in Section 23, Form S, identifying any purchase(s) described in paragraph (1) above that occur after the date(s) of the purchases reported pursuant to paragraph (2) above and that 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 purchase 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, to the best of my knowledge and belief following reasonable diligence:

 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 LSIPA 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 LSIPA 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 LSIPA 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 LSIPA Affiliate meets any of the citizenship or headquarters criteria listed above, then please answer question 2 below.**

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

 The subsidiary or LSIPA 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 LSIPA 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

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Date

**ERCOT Nodal Protocols**

**Section 23**

**Form S: Reporting and Attestation Regarding Purchase 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 Purchase 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 Purchase.

**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, based on my knowledge as defined in paragraph (1)(a) of Section 16.1.4, that the following statement is either true or not true, as indicated below:

The Market Participant or Applicant has purchased 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 purchase 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 purchase, please provide:**

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

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

**b. The name of the LSIPA Designated Company from which the purchase 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 purchase was made):**

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

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

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

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

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

**e. For purchases made after June 8, 2023, a description of the measures taken to ensure that the purchase 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:**

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

**f. For purchases made before June 8, 2023, a description of the reasonable and necessary actions taken to mitigate 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 Applicant or Market Participant for product warranty and support purposes:**

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

3. With respect to the purchase at issue:

 I attest that the following purchase(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 purchase(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 purchase 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 purchase. 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.

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Signature

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Name

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Title

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Date

1. For examples of the “reasonable” standard in the Protocols, *see, e.g.,* Protocols §§ 1.2(6), 3.1.4.7(6), 16.2.1(6). For examples of this standard in PURA and the PUC rules, *see, e.g.,* Tex. Util. Code §§ 35.0021(c)(2), 39.5021(a) and 16 Tex. Admin. Code §§ 25.1(a), 25.52(b)(1). [↑](#footnote-ref-1)