

PDJ NECA Fact Sheet

President Trump Executive Order 13920 (05/01/20)

Background

On May 1, 2020, President Trump issued [Executive Order 13920](#) on “Securing the United States Bulk-Power System”. This Order is intended to prevent “foreign adversaries” from being able to exploit US bulk-power system vulnerabilities.

Short Summary

Certain transactions with “foreign adversaries” involving bulk-power system equipment will be restricted due to risks to the U.S. bulk-power system, infrastructure, or economy. No entity has yet been identified as a “foreign adversary” and additional details are unavailable.

The Secretary of Energy and a federal Task Force have broad authority to implement this Order. They must release additional details and rules within 150 days of the Order’s issuance. Despite the Order’s effective date of May 1, little will change until these are released.

While it is unclear how far-reaching the rules will be, equipment and job pricing in our Industry may be negatively affected. That said, the actual effects are impossible to predict at this time.

NECA National is actively working to obtain more details. However, it is unlikely that many will be available for several months. The Chapter will distribute more information when available.

Order Breakdown

1. Prohibits certain transactions involving bulk-power system equipment where the **Secretary of Energy** has determined that:
 - a. The equipment was designed, developed, manufactured, or supplied by entities controlled or subject to the jurisdiction of a “**foreign adversary**”, AND
 - b. The transaction poses an undue risk of sabotage/subversion of the US bulk-power system, an undue risk of causing catastrophic effects on US infrastructure or economy security or resiliency, or an unacceptable risk to U.S. national security or U.S. persons.
2. Authorizes the **Secretary of Energy** to recognize and publish a list of certain equipment and vendors as “pre-qualified” for future transactions.

3. Requires the **Secretary of Energy** to publish rules implementing this order within 150 days of its issuance (by September 28, 2020). These rules may:
 - a. Identify entities as **“foreign adversaries”** (currently none are identified),
 - b. Identify persons owned/controlled by **“foreign adversaries”**,
 - c. Identify equipment or countries warranting particular transaction scrutiny,
 - d. Establish licensing procedures for otherwise prohibited transactions,
 - e. Identify a mechanism and factors for negotiation of agreements that may mitigate national security concerns identified in the Order.
4. Tasks the **Secretary of Energy** with identifying bulk-power system equipment presenting a threat to system security and develop recommendations on ways to identify, isolate, monitor, or replace this equipment **“as soon as practicable”**.
5. Establishes the **“Task Force on Federal Energy Infrastructure Procurement Policies Related to National Security”**, chaired by the Secretary of Energy, to develop federal energy infrastructure procurement policies related to this Order’s concerns.

Sources

<https://www.whitehouse.gov/presidential-actions/executive-order-securing-united-states-bulk-power-system/>

<https://www.hklaw.com/en/insights/publications/2020/05/securing-the-us-power-grid-president-and-commerce-department>

<https://sanctionsnews.bakermckenzie.com/the-trump-administration-issues-executive-order-13920-to-protect-the-us-bulk-power-system-from-foreign-adversaries/>