UPDATED: 2/9/12

Supporting Statement for FERC-725I, Mandatory Reliability Standards for the Northeast Power Coordinating Council

Docket No. RD11-8-000 (Commission Order Issued October 20, 2011)

The Federal Energy Regulatory Commission (Commission or FERC) requests Office of Management and Budget (OMB) review of a new collection, **FERC-725I**, **Mandatory Reliability Standards for the Northeast Power Coordinating Council** (NPCC) as contained in the Commission Order in Docket No. RD11-8-000. FERC-725I is a new collection, pertaining to 18 Code of Federal Regulations (CFR), Part 40.

The proposed information collection in Docket No. RD11-8-000 relates to FERC-approved Reliability Standard, PRC-002-NPCC-01 – Disturbance Monitoring. This regional Reliability Standard requires transmission owners and generator owners to provide recording capability necessary to monitor the response of the Bulk-Power System to system disturbances, including scheduled and unscheduled outages; requires each reliability coordinator to establish requirements for its area's dynamic disturbance recording needs; and establishes disturbance data reporting requirements. The information collection requirements in this Reliability Standard will be under a new FERC collection, FERC-725I.

A. Justification

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

In the Energy Policy Act of 2005 (EPAct 2005), Congress entrusted the Commission with a major new responsibility to oversee mandatory, enforceable Reliability Standards for the Nation's Bulk-Power System (excluding Alaska and Hawaii). This authority is in section 215 of the Federal Power Act (FPA). Section 215 requires the Commission to select an Electric Reliability Organization (ERO) that is responsible for proposing, for Commission review and approval, Reliability Standards or modifications to existing Reliability Standards to help protect and improve the reliability of the Nation's Bulk-Power System. The Commission has certified the North American Electric Reliability Corporation (NERC) as the ERO. The Reliability Standards apply to the users, owners and operators of the Bulk-Power System and become mandatory and enforceable in the United States only after Commission approval. The ERO also is authorized to impose, after notice and opportunity for a hearing, penalties for violations of the Reliability

¹ *North American Electric Reliability Corporation*, 137 FERC ¶ 61,123 (2011).

Standards, subject to Commission review and approval. The ERO may delegate certain responsibilities to Regional Entities, subject to Commission approval.

The Commission may approve proposed Reliability Standards or modifications to previously approved standards if it finds them "just, reasonable, not unduly discriminatory or preferential, and in the public interest." The Commission itself does not have authority to modify proposed standards. Rather, if the Commission disapproves of a proposed standard or modification, section 215 requires the Commission to remand it to the ERO for further consideration. The Commission, upon its own motion or upon complaint, may direct the ERO to submit a proposed standard or modification on a specific matter but it does not have the authority to modify or author a standard and must depend upon the ERO to do so.

Reliability Standards that the ERO proposes to the Commission may include Reliability Standards that are developed by a Regional Entity.³ On April 19, 2007, the Commission approved delegation agreements between NERC and eight Regional Entities, including NPCC.⁴ In the Delegation Agreement Order, the Commission accepted NPCC as a Regional Entity and accepted NPCC's Standards Development Manual, which sets forth the process for NPCC's development of regional Reliability Standards.⁵ The NPCC region is a less than interconnection-wide region, and its standards apply only to that part of the Eastern Interconnection within the NPCC geographical footprint.

In Order No. 672, the Commission urged uniformity of Reliability Standards, but recognized a potential need for regional differences.⁶ Accordingly, the Commission stated that:

As a general matter, we will accept the following two types of regional differences, provided they are otherwise just, reasonable, not unduly

² 16 U.S.C. 824o(d)(3).

³ *Id.* § 824o(e)(4).

⁴ See North American Electric Reliability Corp., 119 FERC \P 61,060, at P 316-350 (Delegation Agreement Order), order on reh'g, 120 FERC \P 61,260 (2007).

⁵ *Id.* P 302.

⁶ Rules Concerning Certification of the Electric Reliability Organization; Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards, Order No. 672, FERC Stats. & Regs. ¶ 31,204, at P 290, order on reh'g, Order No. 672-A, FERC Stats. & Regs. ¶ 31,212 (2006).

discriminatory or preferential and in the public interest, as required under the statute: (1) a regional difference that is more stringent than the continent-wide Reliability Standard, including a regional difference that addresses matters that the continent-wide Reliability Standard does not; and (2) a regional Reliability Standard that is necessitated by a physical difference in the Bulk-Power System.⁷

On March 16, 2007, the Commission issued Order No. 693, approving 83 of the 107 Reliability Standards filed by the ERO.8 In that order, the Commission determined that it would not take action on certain proposed Reliability Standards that required supplemental information from regional reliability organizations. Such Reliability Standards refer to regional criteria or procedures that had not been submitted to the Commission for approval and, as such, are referred to as "fill-in-the-blank" standards. Reliability Standard PRC-002-1 (Define Regional Disturbance Monitoring and Reporting) is one such fill-in-the-blank standard and, therefore, is not enforceable. NERC's continent-wide, fill-in-the-blank standard PRC-002-1 would require regional reliability organizations to establish: (i) installation requirements for sequence of event recording, fault recording, and dynamic disturbance recording, and (ii) reporting requirements for recorded disturbance data. Because PRC-002-1 is an unenforceable and unapproved fill-in-the-blank standard, NPCC's proposed regional Reliability Standard PRC-002-NPCC-01 is intended to fill the reliability gap related to disturbance monitoring and reporting by establishing enforceable disturbance monitoring and reporting requirements for the NPCC region.

2. HOW, BY WHOM, AND FOR WHAT PURPOSE THE INFORMATION IS TO BE USED AND THE CONSEQUENCES OF NOT COLLECTING THE INFORMATION

Prior to enactment of section 215 of the Federal Power Act, FERC had acted primarily as an economic regulator of the wholesale power markets and the interstate transmission grid. In this regard, the Commission acted to promote a more reliable electric system by promoting regional coordination and planning of the interstate grid through regional independent system operators (ISOs) and regional transmission organizations (RTOs).

The passage of the Energy Policy Act of 2005 added to the Commission's efforts, by giving it the authority to strengthen the reliability of the interstate electric transmission grid through the grant of new authority pursuant to section 215 of the Federal Power Act

 $^{^7}$ Order No. 672, FERC Stats. & Regs. \P 31,204 at P 291.

⁸ *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. ¶ 31,242, *order on reh'g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

which provides for a system of mandatory Reliability Standards developed by the ERO, established by FERC, and enforced by the ERO and Regional Entities. As part of FERC's efforts to promote electric transmission grid reliability, the Commission created the Office of Electric Reliability (OER) in 2007. OER oversees the development and review of mandatory Reliability Standards. OER also oversees compliance with the approved mandatory standards by users, owners, and operators of the Bulk Power System, and maintains a situational awareness monitoring tool to provide wide area visibility of the Bulk Power System.

On May 31, 2011, NERC submitted a petition for Commission approval of the NPCC's Protection and Control (PRC) regional Reliability Standard PRC-002-NPCC-01 and two associated new definitions. The regional Reliability Standard requires transmission owners and generator owners to provide recording capability necessary to monitor the response of the Bulk-Power System to system disturbances, including scheduled and unscheduled outages; requires each reliability coordinator to establish requirements for its area's dynamic disturbance recording needs; and establishes disturbance data reporting requirements.

The Order in RD11-8 approves regional Reliability Standard PRC-002-NPCC-01 which introduces several new mandatory and enforceable requirements for the applicable entities. These requirements are described and discussed more fully in item 12.

The stated purpose of Regional Reliability Standard PRC-002-NPCC-01 is to ensure that adequate disturbance data is available to facilitate Bulk Electric System event analyses. NERC states in its Petition that the proposed standard PRC-002-NPCC-01 addresses the adequacy and security components of reliability by requiring that Disturbance Monitoring Equipment ("DME") be available to monitor the BPS System response to disturbances. The BPS is subject to Faults or Disturbances, and scheduled and unscheduled outages which can range from transient faults on transmission lines to forced System Element outages. The event analysis data obtained through implementation of this standard will be used to better design and operate the BPS to withstand System disturbances which may cross state and international boundaries. Investigation of each incident and application of any lessons learned is critical to optimize the performance of Protection Systems with the goal of preventing future incidents from becoming wide-area disturbances. The tools required to perform post-incident analyses include DME which can capture pre-event, event, and post-event conditions with a high degree of accuracy.

In the event that an entity experiences a disturbance to their system, failure to provide recording capability that is planned for, approved, tested, and documented could result in non-compliance with the Reliability Standard, leaving the bulk-power system more prone

to cascading outages.

3. DESCRIBE ANY CONSIDERATION OF THE USE OF IMPROVED TECHNOLOGY TO REDUCE BURDEN AND TECHNICAL OR LEGAL OBSTACLES TO REDUCING BURDEN.

The approved Reliability Standard does not require information to be filed with the Commission. However, it does contain disclosure and recordkeeping requirements, for which using current technology is an option that may reduce burden compared to not using current technology.

4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION AND SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED OR MODIFIED FOR USE FOR THE PURPOSE(S) DESCRIBED IN INSTRUCTION NO. 2

Filing requirements are periodically reviewed as OMB review dates arise or as the Commission may deem necessary in carrying out its responsibilities under the FPA in order to eliminate duplication and ensure that filing burden is minimized. The information collection requirements are unique to this Reliability Standard and are not contained in any other collection.

5. METHODS USED TO MINIMIZE BURDEN IN COLLECTION OF INFORMATION INVOLVING SMALL ENTITIES

This Reliability Standard does not contain provisions for minimizing the burden of the collection for small entities. All the requirements in the Reliability Standard apply to every applicable entity, be it large or small.

6. CONSEQUENCE TO FEDERAL PROGRAM IF COLLECTION WERE CONDUCTED LESS FREQUENTLY

In the event that an entity experiences a disturbance to their system, failure to provide recording capability that is planned for, approved, tested, and documented could result in non-compliance with the Reliability Standard, leaving the bulk-power system more prone to cascading outages.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances as described in 5 CFR 1320.5(d)(2) relating to this information collection.

8. DESCRIBE EFFORTS TO CONSULT OUTSIDE THE AGENCY: SUMMARIZE PUBLIC COMMENTS AND THE AGENCY'S RESPONSE TO THESE COMMENTS

The ERO process to establish Reliability Standards is a collaborative process with the ERO, Regional Entities and others developing and reviewing drafts, and providing comments, with the final proposed standard submitted to the FERC for review and approval.⁹

Following NERC's submission to the Commission for approval of the Reliability Standard, the Commission issued a notice of filing (June 30, 2011)¹⁰. No comments were received in response to this notice.

The Commission Order, in Docket No. RD11-8 solicited comments on the information collection requirements. No comments were received in response to the Order.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

No payments or gifts have been made to respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission generally does not consider the data to be confidential.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE THAT ARE CONSIDERED PRIVATE

There are no questions of a sensitive nature that are considered private.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

⁹ Details of the ERO standards development process are available on the NERC website at http://www.nerc.com/docs/standards/sc/Standard Processes Manual Approved May 2010.pdf.

¹⁰ This notice was published in the Federal Register, 76 FR 40350. Comments were accepted through August 1, 2011.

The Order in RD11-8 approves regional Reliability Standard PRC-002-NPCC-01 (Disturbance Monitoring) which introduces some new mandatory and enforceable information collection requirements for the applicable entities while making enforceable some previously existing requirements.

Previously Existing Requirements. The information collection Requirements R1-R12, and R15-R16 in the standard were in existence before the advent of the new PRC-002-NPCC-01 standard. As a result, they fall under the category of "usual and customary" due to existing NPCC guidance and criteria:

- Disturbance Monitoring Equipment Criteria¹¹
- Guide for Application of Disturbance Recording Equipment¹²

NPCC presently has criteria addressing monitoring equipment and published guidance addressing maintenance and testing of such equipment. The Disturbance Monitoring Equipment Criteria seek the same or equivalent information identified in Reliability Standard PRC-002-NPCC-01, and NPCC's guidance establishes maintenance and testing expectations similar to those imposed by the regional Reliability Standard. Thus, it is currently usual and customary for affected entities within NPCC to create, maintain and store some of the same or equivalent information identified in Reliability Standard PRC-002-NPCC-01. Therefore, many of the requirements contained in PRC-002-NPCC-01 do not impose new burdens on the affected entities.¹³

The following is a summary of the previously existing requirements followed by a table showing where the requirement appears in the guidance documents referenced above.

R1. Each Transmission Owner and Generator Owner shall provide Sequence of Event (SOE) recording capability by installing Sequence of Event recorders or as part of another device, such as a Supervisory Control And Data Acquisition (SCADA) Remote Terminal Unit (RTU), a generator plant Digital (or Distributed) Control System (DCS) or part of Fault recording equipment. More details on the capability are specified.

R2. Each Transmission Owner shall provide Fault recording capability for the certain Elements

¹¹ Disturbance Monitoring Equipment Criteria (Aug. 2007), *available at* https://www.npcc.org/Standards/Criteria/A-15.pdf (Disturbance Monitoring Criteria).

¹² Guide for Application of Disturbance Recording Equipment (Sept. 2006), *available at* https://www.npcc.org/Standards/Guides/B-26.pdf (Application Guide).

¹³ 5 C.F.R. § 1320.3(b)(2) (2011).

Commission Order in Docket No. RD11-8, Issued October 20, 2011

at facilities where Fault recording equipment is required to be installed as per R3.

- **R3.** Each Transmission Owner shall have Fault recording capability that determines the Current Zero Time for loss of Bulk Electric System (BES) transmission Elements.
- **R4.** Each Generator Owner shall provide Fault recording capability for Generating Plants at and above 200 MVA Capacity and connected through a generator step up (GSU) transformer to a Bulk Electric System Element unless Fault recording capability is already provided by the Transmission Owner.
- **R5.** Each Transmission Owner and Generator Owner shall record for Faults, sufficient electrical quantities for each monitored Element to determine certain measures.
- **R6.** Each Transmission Owner and Generator Owner shall provide Fault recording with the certain capabilities.
- **R7.** Each Reliability Coordinator shall establish its area's requirements for Dynamic Disturbance Recording (DDR) capability that meets certain criteria.
- **R8.** Each Reliability Coordinator shall specify that DDRs installed, after the approval of this standard, function as continuous recorders.
- **R9.** Each Reliability Coordinator shall specify that DDRs are installed with certain capabilities.
- **R10.** Each Reliability Coordinator shall establish requirements such that certain quantities are monitored or derived where DDRs are installed:
- **R11.** Each Reliability Coordinator shall document additional settings and deviations from the required trigger settings described in R9 and the required list of monitored quantities as described in R10, and report this to the Regional Entity (RE) upon request.
- **R12.** Each Reliability Coordinator shall specify its DDR requirements including the DDR setting triggers established in R9 to the Transmission Owners and Generator Owners.
- **R13.** Each Transmission Owner and Generator Owner that receives a request from the Reliability Coordinator to install a DDR shall acquire and install the DDR in accordance with R12.

Reliability Coordinators, Transmission Owners, and Generator Owners shall mutually agree on an implementation schedule.

- **R14.** Each Transmission Owner and Generator Owner shall establish a maintenance and testing program for stand alone DME (equipment whose only purpose is disturbance monitoring) that includes certain requirements.
- **R15.** Each Reliability Coordinator, Transmission Owner and Generator Owner shall share data within 30 days upon request. Each Reliability Coordinator, Transmission Owner, and Generator Owner shall provide recorded disturbance data from DMEs within 30 days of receipt of the request in certain cases.
- **R16.** Each Reliability Coordinator, Transmission Owner and Generator Owner shall submit the data files conforming to the specified format requirements.
- **R17.** Each Reliability Coordinator, Transmission Owner and Generator Owner shall maintain record and provide to the Regional Entity (RE), upon request, the certain data on the DMEs installed to meet this standard.

The 'Disturbance Monitoring Equipment Criteria' is listed below as NPCC Document "A-15;" the 'Guide for Application of Disturbance Recording Equipment' is listed as NPCC Document "B-26."

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New PRC-002-		
NPCC-1	NPCC	
Requirement	Document	Section

R1 A-15 3.1 R1.1 A-15 3.2 R1.2 A-15 3.3 R2 A-15 4.4 R3 A-15 4.2 R4 A-15 4.3 R5 A-15 4.5 R6.1 A-15 4.6 R6.2 A-15 4.7 R6.3 A-15 4.8 R6.4 A-15 4.9 R7 A-15 4.9 R7 A-15 5.2 R8 A-15 5.7 R9.1 A-15 5.7 R9.1 A-15 5.8 R9.3 A-15 5.9 R10.1 A-15 5.4 R10.2 A-15 5.4 R10.1 A-15 5.4 R10.2 A-15 5.5 R10.4 A-15 5.6 R11 A-15 5.6 R11 A-15 5.1 R12 A-15 8.0 R14.1 A-15 8.0			
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R10.1 A-15 5.4 R10.2 A-15 5.4 R10.3 A-15 5.5 R10.4 A-15 5.6 R10.5 A-15 5.6 R11 A-15 5.1 R12 A-15 5.10 R14.1 A-15 8.0 R14.2 A-15 8.0 R14.3 B-26 5.3 R14.4 B-26 5.3 R14.6 B-26 5.3 R15 A-15 6.1 R16.1 A-15 6.3 R16.2 A-15 6.4	R9.2	A-15	5.8
R10.2 A-15 5.4 R10.3 A-15 5.5 R10.4 A-15 5.6 R10.5 A-15 5.6 R11 A-15 5.1 R12 A-15 5.10 R14.1 A-15 8.0 R14.2 A-15 8.0 R14.3 B-26 5.3 R14.4 B-26 5.3 R14.6 B-26 5.3 R15 A-15 6.1 R16.1 A-15 6.3 R16.2 A-15 6.4	R9.3	A-15	5.9
R10.3 A-15 5.5 R10.4 A-15 5.6 R10.5 A-15 5.6 R11 A-15 5.1 R12 A-15 5.10 R14.1 A-15 8.0 R14.2 A-15 8.0 R14.3 B-26 5.3 R14.4 B-26 5.3 R14.6 B-26 5.3 R15 A-15 6.1 R16.1 A-15 6.3 R16.2 A-15 6.4	R10.1	A-15	5.4
R10.4 A-15 5.6 R10.5 A-15 5.6 R11 A-15 5.1 R12 A-15 5.10 R14.1 A-15 8.0 R14.2 A-15 8.0 R14.3 B-26 5.3 R14.4 B-26 5.3 R14.6 B-26 5.3 R15 A-15 6.1 R16.1 A-15 6.3 R16.2 A-15 6.4	R10.2	A-15	5.4
R10.5 A-15 5.6 R11 A-15 5.1 R12 A-15 5.10 R14.1 A-15 8.0 R14.2 A-15 8.0 R14.3 B-26 5.3 R14.4 B-26 5.3 R14.6 B-26 5.3 R15 A-15 6.1 R16.1 A-15 6.3 R16.2 A-15 6.4	R10.3	A-15	5.5
R11 A-15 5.1 R12 A-15 5.10 R14.1 A-15 8.0 R14.2 A-15 8.0 R14.3 B-26 5.3 R14.4 B-26 5.3 R14.6 B-26 5.3 R15 A-15 6.1 R16.1 A-15 6.3 R16.2 A-15 6.4	R10.4	A-15	5.6
R12 A-15 5.10 R14.1 A-15 8.0 R14.2 A-15 8.0 R14.3 B-26 5.3 R14.4 B-26 5.3 R14.6 B-26 5.3 R15 A-15 6.1 R16.1 A-15 6.3 R16.2 A-15 6.4	R10.5	A-15	5.6
R14.1 A-15 8.0 R14.2 A-15 8.0 R14.3 B-26 5.3 R14.4 B-26 5.3 R14.6 B-26 5.3 R15 A-15 6.1 R16.1 A-15 6.3 R16.2 A-15 6.4	R11	A-15	5.1
R14.2 A-15 8.0 R14.3 B-26 5.3 R14.4 B-26 5.3 R14.6 B-26 5.3 R15 A-15 6.1 R16.1 A-15 6.3 R16.2 A-15 6.4	R12	A-15	5.10
R14.3 B-26 5.3 R14.4 B-26 5.3 R14.6 B-26 5.3 R15 A-15 6.1 R16.1 A-15 6.3 R16.2 A-15 6.4	R14.1	A-15	8.0
R14.4 B-26 5.3 R14.6 B-26 5.3 R15 A-15 6.1 R16.1 A-15 6.3 R16.2 A-15 6.4	R14.2	A-15	8.0
R14.6 B-26 5.3 R15 A-15 6.1 R16.1 A-15 6.3 R16.2 A-15 6.4	R14.3	B-26	5.3
R15 A-15 6.1 R16.1 A-15 6.3 R16.2 A-15 6.4	R14.4	B-26	5.3
R16.1 A-15 6.3 R16.2 A-15 6.4	R14.6	B-26	5.3
R16.2 A-15 6.4	R15	A-15	6.1
	R16.1	A-15	6.3
R16.3 A-15 6.5	R16.2	A-15	6.4
	R16.3	A-15	6.5

New Requirements. Several requirements contained in regional Reliability Standard PRC-002-NPCC-01 do introduce entirely new responsibilities for the applicable entities. Each such requirement is discussed below. Requirement R13 requires that each transmission owner and generator owner retain evidence that it acquired and installed dynamic disturbance recorders in accordance with the specifications requested by the reliability coordinator, and that the generator owner, transmission owner, and reliability coordinator retain evidence that they agreed on an implementation schedule. Requirement R14 requires that each transmission owner and generator owner establish a maintenance and testing program for stand-alone disturbance monitoring equipment. Sub-requirements 14.5 specifies that the program must require active analog quantities to be verified monthly, and Sub-requirement 14.7 requires that if failed units cannot be

returned to service within 90 days, the owner must record its efforts to restore the equipment to service. These components of the program have not been included in NPCC's current Disturbance Monitoring Criteria or Application Guide. Requirement R17 requires each reliability coordinator, transmission owner, and generator owner to maintain and record specific data on installed disturbance monitoring equipment, and submit the data to the Regional Entity upon request. Under the Disturbance Monitoring Criteria, the reliability coordinator was not obligated to maintain these records or provide the records to the Regional Entity.

<u>Public Reporting Burden</u>: The estimate below regarding the number of respondents is based on the NERC compliance registry as of August 29, 2011. According to the NERC compliance registry, there are 35 transmission owners, 136 generation owners, and five reliability coordinators in the NPCC region. However, under NERC's compliance registration program, entities may be registered for multiple functions, so these numbers incorporate some double counting. The net number of entities responding will be approximately 167 entities registered as a transmission owner, generation owner, or reliability coordinator. This includes eight entities registered as both a generation owner and a reliability coordinator.

We estimate that annually, approximately one entity within NPCC will have to procure dynamic disturbance recording capability. Based on Commission staff outreach and analysis, we estimate the total acquisition and installation cost will range between \$150,000 and \$750,000. We also estimate that an entity will experience a unit failure greater than 90 days once every five years. Therefore, 20 percent of NPCC's 163 generator owners and transmission owners will experience a unit failure of this duration each year. The estimated burden for the requirements follow:

Requirements of	Number of	Number of	Reporting or	Total
Reliability Standard	Respondents	Responses Per	Recordkeeping, and	Annual
PRC-002-NPCC-01	Annually	Respondent	Average Burden	Hours
(as contained in	(1)	(2)	Hours Per Response	(1x2x3)
FERC-725I)			(3)	

R13: GO ¹⁴ and TO to document acquisition and installation of dynamic disturbance recorders. GO, TO, and RC to develop and employ implementation schedule	1	1	Record Retention	10	10
R14.5: GO and TO maintenance and testing program for stand-alone disturbance monitoring equipment includes monthly verification of active analog quantities	163	12	Record Retention	5	9,780
R14.7: GO and TO requirement to return failed units to service in 90 days. Record kept	33	1	Reporting (assessment and dist. of records)	10	330
of efforts if greater than 90 days			Record Retention	10	330
R17: RC maintains data on equipment, and provide to RE upon request	5	1	Reporting (assessment and dist. of data)	5	25
			Record Retention	10	50
Sub-total			Reporting (assessment and dist)		355
			Record Retention		10,170

¹⁴ For purposes of this chart, generation owner is abbreviated to GO, transmission owner is abbreviated to TO, reliability coordinator is abbreviated to RC, and regional entity is abbreviated to RE.

Total	167 ¹⁵	11.94 ¹⁶	5.28 ¹⁷	10,525

This collection does impose a burden on NERC and on regional entities, both types of entities that take care of day to day compliance issues. FERC uses the collection FERC-725 to account for the burden on NERC and regional entities. The burden estimate in the FERC-725 for compliance issues (such as those contained in this collection) are estimated as "periodic, as needed" and not based on an individual standard basis. FERC assumes that the average estimate included in the FERC-725 encompasses any changes in the burden (decreases or increases).

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The total estimated annual cost resulting from this order is made up the hourly wage cost for record retention and reporting, and the compliance cost for new equipment. The total cost is **\$1,077,360** (\$284,760 + \$42,600 + \$750,000). The individual components of this estimate are:

Estimated annual record retention $cost^{18} = 10,170$ hours @ \$28/hour = \$284,760

Estimated annual reporting cost = 355 hours @ \$120/hour = \$42,600

Total Estimated Annual Compliance Cost (acquisition and installation of dynamic disturbance recorders) = \$750,000. This cost will be reported in ROCIS. The other costs, associated with hourly wages, will not be reported in ROCIS.

¹⁵ This represents the unique number of respondents per the discussion in item 12.

¹⁶ This number is calculated by adding up the total number of responses (# of respondents multiplied by the # of responses per response in each row = 1995) and averaging over the number of respondents (1995 responses/167 = 11.94). This number has been rounded off. Note, in ROCIS the total number of responses is listed as 1994. The discrepancy is due to rounding.

¹⁷ This number is calculated based on the total number of respondents, responses per respondent and the total burden hours (167 x 11.94 x 5.28 = 10,525). This figure has been rounded off.

¹⁸ The hourly reporting cost is based on the estimated cost of an engineer to implement the requirements of the rule. The record retention cost comes from Commission staff research on record retention requirements.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

No information is provided directly to the Commission under PRC-002-NPCC-01 nor does the Commission actively monitor compliance with this Reliability Standard. Thus, the Federal government incurs only the cost of processing this data collection, as follows:

Annual Data Clearance Cost as contained in this Order: \$1,575

The data clearance cost is based on the assumption that it requires, on average, 24 hours of FERC employee time to process each renewal. The FERC average annual adjusted employee cost (salary plus benefits) per full-time equivalent used is 65.63 per hour. Thus, 24 hours X 65.63/hour = 1.575 (rounded).

FERC *does* oversee compliance and can independently perform audits and investigations. However, these tend to be case specific and not related to a collection of information.

For a discussion of the burden on NERC (FERC approved ERO) and the regional entities, please see the last paragraph in item number 12.

15. REASONS FOR CHANGES IN BURDEN INCLUDING THE NEED FOR ANY INCREASE

This Order results in a 10,525 hour program increase in the hourly burden and a \$1,077,360 increase in the cost burden. Reliability Standard PRC-002-NPCC-01 is intended to fill a reliability gap by ensuring that adequate disturbance data is available to facilitate bulk electric system event analyses and thereby improve system reliability by promoting improved system design and operations.¹⁹

16. TIME SCHEDULE FOR THE PUBLICATION OF DATA

There is no data published as a result of this collection.

17. DISPLAY OF THE EXPIRATION DATE

It is not appropriate to display the expiration date for OMB approval of the information collected. The information will not be collected on a standard, preprinted form which

¹⁹ North American Electric Reliability Corp., May 31, 2011 Petition for Approval of Proposed NPCC Regional Reliability Standard PRC-002-NPCC-01 — Disturbance Monitoring (NERC Petition).

would avail itself to that display. Rather the specified entities must prepare and retain information that reflects unique or specific circumstances related to the Reliability Standard. The information is not submitted to FERC.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

The data collected for this reporting requirement is not used for statistical purposes. Therefore, the Commission does not use as stated in item (i) of the certification to OMB "effective and efficient statistical survey methodology." The information collected is case specific to each Reliability Standard.