FERC-725A, OMB Control No. 1902-0244
Final Rule in Docket RM11-20, Issued 5/7/2012; RIN: 1902-AE45
[Updated June 15, 2012]

Supporting Statement for
FERC-725A, Mandatory Reliability Standards for the Bulk-Power System
in Docket No. RM11-20-000
(Final Rule, issued 5/7/2012)

The Federal Energy Regulatory Commission (Commission or FERC) requests Office of Management and Budget (OMB) review of **FERC-725A, Mandatory Reliability Standards for the Bulk Power System,** as contained in the Final Rule in Docket No. RM11-20-000, "Automatic Underfrequency Load Shedding and Load Shedding Plans Reliability Standards." (The Final Rule, Order 763, is available in FERC's eLibrary at http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=12976653 .) FERC-725A (OMB Control No. 1902-0244) is an existing Commission data collection, contained in 18 Code of Federal Regulations (CFR), Part 40.[1]

In this Final Rule, the Commission approves Reliability Standards PRC-006-1 (Automatic Underfrequency Load Shedding) and EOP-003-2 (Load Shedding Plans), developed and submitted to the Commission for approval by the North American Electric Reliability Corporation (NERC). The NERC is the Electric Reliability Organization (ERO) certified by the Commission. The Reliability Standards establish design and documentation requirements for automatic underfrequency load shedding (UFLS) programs that arrest declining frequency and assist recovery of frequency following system events leading to frequency degradation.

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 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 NERC as the ERO. The Reliability Standards apply to the users, owners and

[1] For information, the Notice of Proposed Rulemaking (NOPR), issued 10/20/2011, is available at http://elibrary.ferc.gov/idmws/File_list.asp?document_id=13964378.

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 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."[2] 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 FERC does not have the authority to modify or author a standard and must depend upon the ERO to do so.

On April 4, 2006, and as later modified and supplemented, the ERO submitted 107 Reliability Standards for Commission approval pursuant to section 215(d) of the FPA. On March 16, 2007, the Commission issued Order No. 693 approving 83 of the 107 Reliability Standards proposed by NERC, including Reliability Standards PRC-007-0, PRC-009-0 and EOP-003-1.[3]

On March 31, 2011, NERC filed a petition seeking Commission approval of proposed Reliability Standards PRC-006-1 and EOP-003-2 and requesting the concurrent retirement of the currently effective Reliability Standards PRC-007-0, PRC-009-0, and EOP-003-1 and NERC-approved Reliability Standard PRC-006-0.[4]

Under Section 215 of the FPA, in this Final Rule, FERC approves with modification Reliability Standards PRC-006-1 and EOP-003-2, and the retirement of the currently effective Reliability Standards PRC-007-0, PRC-009-0, and EOP-003-1, and the NERC-approved Reliability Standard PRC-006-0.

2. **HOW, BY WHOM, AND FOR WHAT PURPOSE THE INFORMATION IS TO**

[2] 16 U.S.C. 824o(d)(2).

[3] *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).

[4] NERC Petition at 1. The proposed new Reliability Standards are not attached to the NOPR or Final Rule. They are, however, available on the Commission's eLibrary in Docket No. RM11-20-000 and are available on the ERO's website, www.nerc.com. Reliability Standards approved by the Commission are not codified in the CFR.

BE USED AND THE CONSEQUENCES OF NOT COLLECTING THE INFORMATION

Prior to the 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 which provides for a system of mandatory Reliability Standards developed by the ERO, approved and made enforceable 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.

Reliability Standard PRC-006-1 applies to planning coordinators and underfrequency load shedding entities (UFLS entities).[5] This standard requires planning coordinators to design and document a UFLS program to arrest declining frequency, assist recovery of frequency following underfrequency events and provide last resort system preservation measures. Planning coordinators must maintain documentation, notify UFLS entities within its area, coordinate with other planning coordinators when necessary, and generally maintain a UFLS program. UFLS entities are required to provide necessary system data to the planning coordinators for use in models and simulations.[6]

Reliability Standard EOP-003-2 applies to transmission operators and balancing authorities. Under this standard, each transmission operator that has or directs the deployment of undervoltage load shedding facilities, shall have and provide upon request,

[5] As stated in PRC-006-1: UFLS entities shall mean all entities that are responsible for the ownership, operation, or control of UFLS equipment as required by the UFLS program established by the Planning Coordinators. Such entities may include one or more of the following: Transmission Owners; and Distribution Providers.

[6] See the full list of requirements for PRC-006-1 at http://www.nerc.com/files/PRC-006-1.pdf.

its automatic load shedding plans. Further, each transmission operator and balancing authority shall have and provide upon request its manual load shedding plans. Under both standards, the information is used to ensure compliance with requirements associated with load shedding plans and programs. Without this information, it would be difficult to enforce compliance with the standards. A lack of compliance with these standards may lead to uncontrolled failure of the Interconnection.

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

The proposed Reliability Standards do not require information to be filed with the Commission. However, they do contain reporting and recordkeeping requirements such as creating and maintaining an UFLS program, for which using current technology is an option that may reduce burden. The use of current or improved technology is not covered in the Reliability Standards, and is therefore left to the discretion of each reporting entity.

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 these Reliability Standards and are not contained in any other collection.

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

These Reliability Standards do not contain provisions for minimizing the burden of the requirements for small entities. All the requirements in the Reliability Standard apply to every applicable entity, be it large or small. The standards were developed by and vetted in industry, and subject to public comment.

As detailed in the Regulatory Flexibility Act section of the Final Rule,

> "[c]omparison of the NERC compliance registry with data submitted to the Energy Information Administration on Form EIA-861 indicates that perhaps as many as 8 small entities are registered as planning coordinators and 18 small entities are

registered as balancing authorities. The Commission estimates that the small planning coordinators to whom the Reliability Standard will apply will incur compliance and recordkeeping costs of $157,184 ($19,648 per planning coordinator) associated with the Standard's requirements. The small balancing authorities will receive a savings of $154,728 ($8,596 per balancing authority). Accordingly, Reliability Standards PRC-006-1 and EOP-003-2 should not impose a significant operating cost increase or decrease on the affected small entities."

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

As stated in response to #2 above, failure to comply with the information collection requirements increases the difficulty in enforcing compliance with the standards, and a lack of compliance with these standards may lead to an uncontrolled failure of the Interconnection. Reducing the reporting/record retention frequency may increase the risk of such an uncontrolled failure.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

Much of the documentation required to be maintained must be kept since the last compliance audit for a given entity. Because compliance audits may occur more than 3 years apart, the records may be kept for a period that exceeds OMB guidelines in 5 CFR 1320.5(d)(2)(iv) of not retaining records for longer than three years. The Commission did not prescribe a set data retention period to apply to all Reliability Standards because the circumstance of each Reliability Standard varies. The approved standards and reporting and retention requirements were developed, vetted, and proposed by industry in its standards development process. [See #8 below.]

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 other stakeholders developing and reviewing drafts, and providing comments, with the final proposed standard submitted to the FERC for review and approval.[7] In addition, each FERC rulemaking (both proposed and final rules) is

[7] Details of the current ERO standard processes are available on the NERC website at

published in the Federal Register, thereby providing public utilities and licensees, state commissions, Federal agencies, and other interested parties an opportunity to submit data, views, comments or suggestions concerning the proposed collection of data.

In response to the NOPR, comments were filed by NERC and 12 interested persons. [The comments are available in FERC's eLibrary by searching on Docket No. RM11-20.] The Commission received comments on specific requirements in the Reliability Standards, which we address in this Final Rule. The comments generally support the approval of Reliability Standards PRC-006-1 and EOP-003-2. The comments also provide information responsive to the questions raised in the NOPR. The Commission also solicited comments on the need for and the purpose of the information contained in Reliability Standards PRC-006-1 and EOP-003-2 and the corresponding burden to implement them. We did not receive any comments directly related to our solicitation on the need for and purpose of the information contained in the Reliability Standards or on the corresponding burden estimates. However, two commenters did mention costs in their comments and several commenters discussed the assessment timeline for completion of island assessments.[8]

Transmission Access Policy Group Comment and Commission response

The Transmission Access Policy Study Group (TAPS) states that the "great majority" of generators are not set to trip before the underfrequency set points, so they will be available for UFLS programs.[9] TAPS contends that the only generators of concern are those that: (1) do not meet Reliability Standard PRC-006-1's size and connection criteria; (2) trip prior to underfrequency set points; and (3) are dispatched during underfrequency events because they are not required to be modeled under PRC-006-1. TAPS maintains that the number of generators that meet these criteria is "very small" so that modeling them would have an "infinitesimal reliability benefit," not improving the overall accuracy of the UFLS program design and not justifying the additional costs.[10]

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http://www.nerc.com/docs/standards/sar/Appendix_3A_Standard_Processes_Manual_20100903_2_.pdf.

[8] See Final Rule attached to this package for a full list of commenters. The footnotes in this section reference comments from entities. These comments can be found on the Commission's eLibrary (http://www.ferc.gov/docs-filing/elibrary.asp) site by searching on Docket No. RM11-20.

[9] TAPS Comments at 4.

[10] *Id.* at 4-5.

In the NOPR, the Commission expressed concern regarding the development of UFLS programs that fail to account for qualifying generation not directly connected to the bulk electric system. We are satisfied with the explanations provided by commenters. First, we are persuaded by NERC's explanation that Reliability Standard PRC-006-1 does not limit the resources that can be modeled in the UFLS assessments and that power system models used in UFLS assessments generally model all qualifying generation, including resources not directly connected to the bulk electric system. In summary, although PRC-006-1 does not require all of the generation that is not directly connected to the bulk electric system to be included in the modeling, the subset of these resources that are required to assure that the UFLS models are sufficient to accurately predict system performance will be included. Similarly, we accept comments from EEI, TAPS, MISO, and FRCC that PRC-006-1 requires modeling of the vast majority of qualifying generation to ensure the reliable operation of the bulk electric system.

The Commission believes that requiring all qualifying assets to be accounted for in UFLS programs, regardless of whether they are directly or indirectly connected to the bulk electric system, is useful to ensuring the effectiveness of the programs. Not requiring applicable entities to model sufficient amounts of qualifying generation indirectly connected to the bulk electric system could result in applicable entities not knowing how those resources react during underfrequency situations, which could cause excessive load shedding in an emergency and further contribute to system instability.

NERC states in its comments that this issue could be further evaluated in the "second phase" of the project to revise the definition of bulk electric system, and that information from that project could be used as a basis for revising Reliability Standard PRC-006-1 if necessary.[11] Without prejudging those efforts, the Commission will not issue a directive requiring the modeling of qualifying generation not directly connected to the bulk electric system.

Midwest ISO Comment and Commission response

EEI and MISO agree with NERC that Requirement R11 of Reliability Standard PRC-006-1 requires both conditions (i.e., frequency excursion and islanding) to be met. MISO agrees with the NOPR that an analysis of excursions without islanding is useful. However, MISO and EEI comment that such an analysis is outside the scope of the Reliability Standard. MISO, quoting the NOPR, states that UFLS "is designed for use in extreme conditions to stabilize the balance between generation and load after an electrical

[11] NERC Comments at 5.

island has been formed."[12] Accordingly, MISO argues that a UFLS program "can only truly be assessed in light of its performance after an island has formed."[13] In addition, such assessments are costly, time consuming and resource intensive, according to MISO.

NERC clarifies that Requirements R11 and R12 of Reliability Standard PRC-006-1 are triggered when system frequency excursions fall below the initializing set points for UFLS programs and bulk electric system islands form within Interconnections.[14]

The Commission agrees with commenters that it would be useful to have an analysis of system frequency excursions to assess the performance of UFLS programs even in the absence of island formation.[15] To that end, we agree with NERC that underfrequency events that result in the initializing of the UFLS set point, even in the absence of island formation, would be analyzed under provisions contained in the NERC Rules of Procedure and the NERC Event Analysis program.[16]

Comments regarding Timeline of Assessment Completion

Requirement R11 of Reliability Standard PRC-006-1 requires planning coordinators to perform island event assessments within one year of an event. If the planning coordinator identifies program deficiencies, Requirement R12 of PRC-006-1 requires planning coordinators to conduct and document UFLS design assessments, which are

[12] MISO Comments at 4 (*citing* NOPR, FERC Stats & Regs. 32,682 at P 35).

[13] *Id.*

[14] NERC Comments at 6.

[15] NERC Comments at 5; MISO Comments at 4; SWPA Comments at 3.

[16] NERC Comments at 6. Section 807 of the NERC Rules of Procedure addresses "Analysis of Major Events" and Section 808 addresses "Analysis of Off-Normal Events, Potential System Vulnerabilities, and System Performance." Separately, the NERC Event Analysis program, which is not incorporated in the NERC Rules of Procedure, as of this time is still under development. Compliance with the NERC Rules of Procedure is mandatory pursuant to section 39.2(b) of the Commission's regulations and is enforceable by the Commission pursuant to section 39.9 of the Commission's regulations. 18 C.F.R. § 39.2(b) ("All entities subject to the Commission's reliability jurisdiction under paragraph (a) of this section shall comply with applicable Reliability Standards, the Commission's regulations, and applicable Electric Reliability Organization and Regional Entity Rules made effective under this part."); 18 C.F.R. § 39.9.

meant to consider the deficiencies, within two years of an event.

NERC comments that, while some events can be assessed in less time, one year is a realistic time-frame to assess performance for complex events and two years is a realistic time-frame to address identified deficiencies. NERC states that "the amount of time that a UFLS entity has to implement corrections will be established by the Planning Coordinator, as specified in Requirement R9 of PRC-006-1 . . . [and] [t]he time allotted for corrections will depend on the extent of the deficiencies identified."[17]

EEI, MISO, and G&T Cooperatives support the timelines in Reliability Standard PRC-006-1. MISO maintains that event assessments are time and resource intensive and must not be rushed. EEI, MISO, and G&T Cooperatives state that planning coordinators can complete analyses of less complex events before the two-year deadline, but they need the maximum allowable time to finish analyses of complex events. With respect to the time allowed for correcting problems, EEI comments that any deadline in a requirement would be difficult to enforce and would not improve reliability given the variable nature of possible deficiencies.
SWPA states that an applicable entity may need to implement corrections that require complex procurement or acquisition processes, and such contracts can be complex, involving many required decisions and actions. Given these complexities, SWPA maintains that four years after event actuation is a reasonable deadline to implement corrections.

Based on the comments, the Commission is persuaded that two years to complete design assessments pursuant to Reliability Standard PRC-006-1 is appropriate. As noted by EEI, MISO, and G&T Cooperatives, assessments of complex events can be time and resource intensive. Thus, we agree that two years is a reasonable maximum allowable time for completion of design assessments. However, we agree with commenters that efforts should be made to complete assessments of less complex events before the two-year maximum allowable period.[18]
In response to the Commission's concern that Reliability Standard PRC-006-1 does not specify how soon after an event would an entity need to implement corrections in response to any deficiencies identified in the event assessment under Requirement R11 of PRC-006-1, NERC stated in its comments that:

> The amount of time that a UFLS entity has to implement corrections will be established by the Planning Coordinator,

[17] NERC Comments at 8.

[18] EEI Comments at 7; MISO Comments at 6.

> as specified in Requirement R9 of PRC-006-1. The time allotted for corrections will depend on the extent of the deficiencies identified. The schedule specified by the Planning Coordinator will consider the time necessary for budget planning and implementation, recognizing that operating and maintenance budgets normally will not be sufficient to address major revisions and allowances will be necessary for inclusion of approved changes in budgeting cycles.[19]

Requirement R9 of PRC-006-1 states:

> **R9.** Each UFLS entity shall provide automatic tripping of Load in accordance with the UFLS program design and schedule for application determined by its Planning Coordinator(s) in each Planning Coordinator area in which it owns assets. *[VRF:High][Time Horizon: Long-term Planning]*

Notwithstanding NERC's comments, the Commission is not persuaded that Requirement R9 requires corrective action in accordance with a schedule established by the planning coordinator. Based on its comments, however, NERC has expressed no opposition to such a requirement. We accept NERC's comments that Requirement R9 requires a schedule established by the planning coordinator, but NERC's reading of Requirement R9 should be made clear in the Requirement itself. Accordingly, we direct NERC to make that requirement explicit in future versions of the Reliability Standard. Within 30 days of the effective date of this Final Rule, NERC is directed to submit a compliance filing indicating how it plans to comply with this directive and a deadline for compliance.

The Final Rule addresses all the comments received and includes a list of the commenters in the Appendix.

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

[19] NERC Comments at 8.

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

This Final Rule approves Reliability Standards PRC-006-1 and EOP-003-2 and eliminates currently effective Reliability Standards PRC-007-0, PRC-009-0, EOP-003-1 and NERC-approved Reliability Standard PRC-006-0.[20] As indicated, Reliability Standard PRC-006-0 was never approved by the Commission, and therefore has never been mandatory and enforceable. On the other hand, Reliability Standards PRC-007-0 and PRC-009-0 were approved by the Commission and are currently mandatory and enforceable. Because Reliability Standard PRC-006-1 incorporates the requirements from Reliability Standards PRC-006-0, PRC-007-0, and PRC-009-0 some of the existing requirements will become mandatory and enforceable (where previously they were voluntary), while others continue to be mandatory. The following bullets summarize this information:

- PRC-006-0, not approved by Commission, voluntary only
- PRC-007-0 and PRC-009-0, approved by Commission, mandatory and enforceable
- PRC-006-1 incorporates requirements from PRC-006-0, PRC-007-0 and PRC-009-0. The Final Rule approves PRC-006-1.

It is likely that most applicable entities have been complying with NERC-approved Reliability Standard PRC-006-0.[21] However, to properly account for the burden, the Commission will treat the requirements in PRC-006-0 (requirements that will be part of PRC-006-1) as new to the industry.

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[20] PRC-006-0 was not approved by the Commission but remained effective as a NERC-approved standard (but not mandatory or enforceable). The other three standards were approved by the Commission. *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).

[21] This statement is made because currently effective Reliability Standards PRC-007-0 and PRC-009-0 required UFLS entities to follow the UFLS program implemented by Reliability Standard PRC-006-0. Therefore, it is likely that entities have already been following the requirements contained in Reliability Standard PRC-006-0.

The reporting requirements in Reliability Standard EOP-003-2 are virtually identical to those in currently effective Reliability Standard EOP-003-1. The difference is that Reliability Standard EOP-003-2 eliminates balancing authorities from Requirement R2 and from Measure M1.[22] This requirement and measure deal with establishing and documenting automatic load shedding plans for undervoltage conditions. Balancing authorities are still required to have a plan for operator controlled manual load shedding to respond to real-time emergencies.

Public Reporting Burden: Our estimate below regarding the number of respondents is based on the NERC compliance registry as of 7/29/11. According to the NERC compliance registry, there are 72 planning coordinators ("PC") and 126 balancing authorities ("BA"). The individual burden estimates are based on the time needed to gather data, run studies, and analyze study results to design or update the UFLS programs. Additionally, documentation and the review of UFLS program results by supervisors and management is included in the administrative estimations. These are consistent with estimates for similar tasks performed to comply with other Commission-approved standards.

The following table shows the burden change to the FERC-725A collection due to the final rule. As noted above, some requirements from the Reliability Standard are the same as those found in the standards that are being retired. The table only indicates the newly imposed requirements or modifications to the applicability, based on the Final Rule in Docket RM11-20.

PRC-006-1 (Automatic Underfrequency Load Shedding)[23]	**Number of Respondents Annually (1)**	**Number of Responses per Respondent (2)**	**Average Burden Hours Per Response (3)**	**Total Annual Burden Hours (1)x(2)x(3)**
PCs*: Design and document Automatic UFLS Program	72	1	120	8,640
PCs: Management Review of			40	2,880

[22] Balancing authorities are also removed from Requirements R4 and R7, but these do not have reporting requirements associated with them.

[23] Proposed Reliability Standard PRC-006-1 applies to both planning coordinators and to UFLS entities. However, the burden associated with the UFLS entities is not new because it was accounted for under Commission-approved Reliability Standards PRC-007-0 and PRC-009-0.

Documentation					
PCs: Record Retention			16		1,152
Sub-Total					12,672 [1,152 of recordkeeping burden; and 11,520 of reporting burden]
EOP-003-2 (Load Shedding Plans)[24]					
Removal of BAs* from Reporting Requirements in R2 and M1 (Burden Reduction)	126	1	Reporting	-10 (burden reduction)	-1,260 (burden reduction)
			Record Retention	-1 (burden reduction)	-126 (burden reduction)
Sub-Total					-1,386 (burden reduction)
Net Change in Burden, due to Final Rule in RM11-20					11,286

*Key: PC=Planning Coordinator; BA=Balancing Authority

The following table shows the currently approved inventory for FERC-725A and how it will be affected by the new, revised, and deleted reporting and recordkeeping requirements in the Final Rule in RM11-20. The table follows the format for the "ICR Summary of Burden" table found in the OMB's ROCIS metadata:

[24] Transmission operators also have to comply with Reliability Standard EOP-003-2 but since the applicable reporting requirements (and associated burden) have not changed from the existing standard to the proposed standard these entities are not included here.

FERC-725A	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	2,040	2,040		no change[25]
Annual Time Burden (Hr)	1,827,313	1,816,027		11,286 [includes net change of +10,260 in reporting; and +1,026 in recordkeeping]
Annual Cost Burden ($)	$126,725	$126,725	no change	no change [changes are solely due to burden hour cost]

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The Commission estimates the cost as imposed by the modifications to the Reliability Standards in the final rule RM11-20 to be:

Net Additional Annual Hours imposed by the Reliability Standard: (Compliance and Documentation + Recordkeeping) = 11,286 hours.

- For Planning Coordinators, cost

  Total Reporting Cost for Planning Coordinators: = 11,520 hours @ $120/hour = $1,382,400.

  Total Record Retention Cost for Planning Coordinators: 1,152 hours @ $28/hour = $32,256.

  Total cost for Reporting and Record Retention for Planning Coordinators of $1,382,400 + $32,256=$1,414,656

[25] The new, revised or deleted reporting and recordkeeping requirements are imposed on entities that already comply with other Reliability Standards under FERC-725A. We are not adding additional "responses" per entity for the changes finalized in Docket No. RM11-20. We generally assume one response per entity per year to account for all of the information collection requirements under the FERC-725A.

- For Balancing Authorities, cost savings

  Total Cost Savings for Reporting and Record Retention for Balancing Authorities of (1,260 hours @ $120/hour) + (126 hours @ $28/hour) = $154,728.

Total Net Additional Annual Cost (Reporting + Record Retention)[26]: = $1,382,400 + $32,256 - $154,728 = $1,259,928.

[Current record retention cost reported in ROCIS (for IC 1) = $126,725. This cost originated in the rulemaking under FERC Docket No. RM08-19 (ICR No. 200912-1902-005, approved by OMB 3/12/2009) and represents the cost of storing records offsite. The additional cost to PCs for record retention related to this final rule in RM11-20 represents cost related to burden hours spent by the record retention staff onsite and does not affect the previous figure for off-site storage.]

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

EOP-003-2 and PRC-006-1 do not require information to be submitted to the Federal Government, nor does the Commission actively monitor compliance with these Reliability Standards. Thus, the Federal government incurs only the cost of processing this data collection as follows:

	Number of Employees (FTEs)	Estimated Annual Federal Cost
Data Clearance Cost[27]		$1,588
FTE	-	-
FERC Total		$1,588

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

The modifications to the Reliability Standard in the Final Rule in RM11-20, are estimated to result in an annual net increase of 12,672 burden hours imposed on the 72 planning

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

[27] This estimate is based on the assumption that it takes an annual average of one work-week (40 hours) to perform the work necessary to obtain OMB clearance for the reporting and recordkeeping requirements.

coordinators (due to agency discretion). The purposes of the proposed Reliability Standards are to establish UFLS programs to preserve reliability on the system and to provide balancing authorities and transmission operators the capability and authority to shed load rather than risk an uncontrolled failure of the Interconnection. The increase in burden is necessary to ensure that this purpose is maintained.

In addition, Reliability Standard EOP-003-2 eliminates 126 balancing authorities from Requirements R2 and from Measure M1, reducing their burden by a total of 1,386 hours annually. [This requirement and measure deal with establishing and documenting automatic load shedding plans.]

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 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) "effective and efficient statistical survey methodology." The information collected is case specific to each Reliability Standard.