

Supporting Statement
**FERC-725L, Regional Reliability Standard PRC-006-NPCC-1 --- Automatic
Underfrequency Load-Shedding**
[A Notice of Proposed Rulemaking (NOPR) issued September, 20, 2012]

The Federal Energy Regulatory Commission (Commission or FERC) requests Office of Management and Budget (OMB) review of **FERC-725L, Regional Reliability Standard PRC-006-NPCC-1 --- Automatic Underfrequency Load-Shedding** as contained in the NOPR in Docket No. RM12-12-000 “Regional Reliability Standard PRC-006-NPCC-1 --- Automatic Underfrequency Load-Shedding” (http://elibrary.ferc.gov/idmws/File_list.asp?document_id=14052753). FERC-725L is a new Commission collection, contained in 18 Code of Federal Regulations (CFR), Part 40.

Within this NOPR, the Commission proposed to approve the regional Reliability Standard PRC-006-NPCC-01 (Regional Reliability Standard PRC-006-NPCC-1 --- Automatic Underfrequency Load-Shedding). The North American Electric Reliability Corporation (NERC) submitted this NOPR to the Commission for approval. The proposed regional Reliability Standard applies to generator owners, planning coordinators, distribution providers, and transmission owners in the Northeast Power Coordinating Council Region and is designed to ensure the development of an effective automatic underfrequency load shedding (UFLS) program to preserve the security and integrity of the Bulk-Power System during declining system frequency events in coordination with the NERC continent-wide UFLS Reliability Standard PRC-006-1. The Commission also proposes to approve the related violation risk factors, violation severity levels, implementation plan, and effective date proposed by NERC.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Section 215 of the FPA requires a Commission-certified Electric Reliability Organization (ERO) to develop mandatory and enforceable Reliability Standards which are subject to Commission review and approval. Once approved, NERC would enforce the Reliability Standards either subject to Commission oversight or by the Commission independently.¹

Reliability Standards that NERC proposes to the Commission may include Reliability Standards that a Regional Entity proposes to be effective in that region.² In Order No. 672, the Commission noted that:

¹ 16 USC 824o(e) (2006).

² 16 USC 824o(e)(4). A Regional Entity is an entity that the Commission has approved to enforce Reliability Standards under delegated authority from the ERO. See 16 USC 824o(a)(7) and (e)(4).

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

When NERC reviews a regional Reliability Standard that would be applicable on an interconnection-wide basis and that has been proposed by a Regional Entity organized on an interconnection-wide basis, NERC must presume that the regional Reliability Standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest.³ In turn, the Commission must give due attention to the technical expertise of NERC and of a Regional Entity organized on an interconnection-wide basis.⁴

On 4/19/2007, the Commission accepted delegation agreements between NERC and each of the eight Regional Entities.⁵ In the order, the Commission accepted NPCC as a Regional Entity organized on less than an interconnection-wide basis. NPCC is not an “interconnection-wide” Regional Entity and the Commission intends its standards for application only to that portion of the Eastern Interconnection within the NPCC geographical footprint.

As a Regional Entity, the NPCC geographic region includes the state of New York, the six New England states (i.e. Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont), some Canadian provinces (i.e. New Brunswick, Nova Scotia, Ontario, Quebec). Overall, NPCC covers an area of approximately 1.2 million square miles and is populated by more than 55 million people. In total, from a net energy for load perspective, NPCC is approximately 45% U.S. and 55% Canadian. With regard to Canada, approximately 70% of Canadian net energy for load is within the NPCC Region. The NPCC’s regional entity division operates under a delegation agreement with the NERC. This agreement recognizes that NPCC meets the qualifications for delegation of certain roles, responsibilities, and authorities of a cross-border regional entity as defined by Section 215 of the Federal Power Act within the U.S. and throughout Canadian provincial regulatory and/or governmental Memoranda of Understanding (MOUs) or Agreements.

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

³ 16 USC 824o(d)(3).

⁴ 16 USC 824o(d)(2).

⁵ North American Electric Reliability Corp., 119 FERC ¶ 61,060 (2007).

Prior to the enactment of Section 215 of the Federal Power Act, FERC acted as an economic regulator of the wholesale power markets and the interstate transmission grid. In this regard, the Commission acted to promote greater reliability within the 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 (EPAAct 2005) added to the Commission's efforts by giving it the authority to strengthen the reliability of the interstate electric transmission grid through newly authority pursuant to section 215 of the Federal Power Act. EPAAct 2005 also provides for a system of mandatory Reliability Standards developed by the ERO, established by FERC, and enforced by the ERO and Regional Entities. The Commission created the Office of Electric Reliability (OER) in 2007 as part of FERC's efforts to promote electric transmission grid reliability. 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. OER also maintains a situational awareness monitoring tool to provide wide area visibility of the Bulk-Power System.

NERC states that it designed the proposed regional Reliability Standard to work in conjunction with and to augment Reliability Standard PRC-006-1⁶ by mitigating the consequences of an underfrequency event while accommodating differences in system transmission and distribution topology among NPCC planning coordinators due to historical design criteria, makeup of load demands, and generation resources.⁷ NERC further states that the proposed regional Reliability Standard also facilitates uniformity, compliance, and clearly delineates applicable entities' requirements within the NPCC Region to achieve a robust, reliable, and effective UFLS program.⁸ The proposed regional Reliability Standard will achieve a coordinated and comprehensive UFLS region-wide consistent program within the NPCC Region. The proposed Reliability Standard also provides the regional requirements necessary to achieve and to facilitate the broader program characteristics contained within the requirements of the NERC Reliability Standard PRC-006-1.

Under the proposed regional Reliability Standard, planning coordinators will use the information to ensure compliance with requirements associated with underfrequency load shedding plans.⁹ Without this information, it would be difficult to enforce compliance with the regional standard.

6 See Automatic Underfrequency Load Shedding and Load Shedding Plans Reliability Standards, Order No. 763, 139 FERC ¶ 61,098 (May 7, 2012) (approving Reliability Standards PRC-006-1 (Automatic Underfrequency Load Shedding) and EOP-003-2 (Load Shedding Plans))

7 NERC Petition at 29-30

8 Id

9 Reference PRC-0065-NPCC-1 reliability standard for further information

A lack of compliance with this regional standard may lead to uncontrolled failure of the Interconnection.

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

The proposed regional Reliability Standard does not require respondents to file pertinent information with the Commission. However, it does contain reporting and recordkeeping requirements. These requirements may include creating and maintaining a UFLS program for which using current technology is an option that may reduce burden compared to not using the current technology and methodologies already in place.

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

The Commission periodically reviews filing requirements concurrent with OMB review or as the Commission deems necessary to eliminate duplicative filing and to minimize the filing burden. OMB recently approved the information collection requirements within a national Reliability Standard PRC-006-1. The requirements proposed within the regional Reliability Standard proposed here do not replace the requirements in the national Reliability Standard. Instead, the regional Reliability Standard applies an additional criterion met by respondents within the NPCC region.

The Commission is unaware of any other source of information similar to the additional requirements within the proposed regional Reliability Standard.

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

The proposed regional Reliability Standard does not contain explicit provisions for the minimization of burden upon small entities (i.e. respondents). All requirements in the regional Reliability Standard apply to every applicable entity. Additionally, the Commission certifies that the proposed regional Reliability Standard will not impose a significant economic impact upon a substantial number of entities according with the regulatory flexibility threshold analysis contained in the NOPR¹⁰.

¹⁰ See Regulatory Flexibility Act Certification section within the notice of proposed rulemaking for this collection.

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

As stated in response to question #2 above, failure to comply with the information collection requirements 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

A substantial amount of the documentation required for a given entity's compliance audits must be maintained (potentially) in excess of the OMB's required retention period. This is due to compliance audits possibly occurring more than three years apart. This occurrence would exceed OMB guidelines within 5 CFR 1320.5(d)(2)(iv) for retaining records no longer than three years. The Commission did not prescribe a set date retention period for application to all Reliability Standards because the circumstances of each Reliability Standard vary. Industry (via the ERO's standards development process) developed, proposed, and vetted the proposed reliability standard and reporting/retention requirements.

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

The ERO, Regional Entities, and others work within a collaborative process to establish Reliability Standards by jointly developing/reviewing drafts, providing responses to comments, and submitting to FERC a final proposed standard for review and subsequent approval. The Commission published this proposed rulemaking within the Federal Register to provide public utilities, state commissions, Federal agencies, and other interested parties an opportunity to submit data, comments, or suggestions¹¹.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to the respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

¹¹ In accordance with 5 CFR 1320.11

The Commission does not consider the information collected within this Reliability Standard to be confidential. However, the filer may request privileged treatment of any filing that may contain information harmful to the competitive posture of the respondent if released to the general public¹². An entity seeking confidential treatment of the information must ask the Commission to treat this information as confidential and non-public, consistent with the Commission's regulations at 18 CFR 388.112. Generally, the Commission does not consider this information to be confidential.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE

The Commission considers the questions within the proposed reliability standard neither sensitive in nature nor private.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

This NOPR proposes to approve the regional Reliability Standard PRC-006-NPCC-01. This is the first proposal for this proposed Reliability Standard. NERC states (in its petition) that UFLS requirements had been in place (continent-wide and within NPCC) for years prior to implementation of the Commission-approved Reliability Standards in 2007. Because the UFLS requirements have been in place prior to the development of PRC-006-NPCC-01, the proposed regional Reliability Standard is closely associated with requirements to which the entities adhered. The proposed regional Reliability Standard applies to generator owners, planning coordinators, distribution providers, and transmission owners in the Northeast Power Coordinating Council Region and is designed to ensure the development of an effective automatic underfrequency load shedding (UFLS) program to preserve the security and integrity of the Bulk-Power System during declining system frequency events, in coordination with the NERC continent-wide UFLS Reliability Standard PRC-006-1.

According to the NERC Compliance Registry, there are 2 planning coordinators and 135 generator owners within the United States portion of the NPCC Region. The Commission bases individual burden estimates on the time needed for planning coordinators to incrementally gather data, run studies, and analyze study results to design or update the UFLS programs that are required in the regional Reliability Standard in addition to the requirements of the NERC Reliability Standard PRC-006-1.¹³

¹² 18 CFR 388.112

¹³ The burden estimates for Reliability Standard PRC-006-1 are included in Order No. 763 and are not repeated here

The Commission estimates the average annual Public Reporting Burden for this information collection as:

RM12-12: Regional Reliability Standard PRC-006-NPCC-1 --- Automatic Underfrequency Load-Shedding					
	Number of Respondents (A)	Annual Number of Responses Per Respondent (B)	Total Number of Responses (A)x(B)=(C)	Average Burden Hours per Response (D)	Estimated Total Annual Burden (C)x(D)
PCs ¹⁴ : design and document	2	1	2	8	16
PCs: update and maintain UFLS program database				16	32
GOs ¹⁵ : provide documentation and data to the planning coordinator	135	1	135	16	2,160
GOs: record retention				4	540
					2,748

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

Total Capital and Start-up cost: \$0

Total Operation, Maintenance, and Purchase of Services: \$0

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	Number of Employees (FTEs) or Number of Hours	Estimated Annual Federal Cost
Analysis and Processing of filings ¹⁶	0	\$0
Paperwork Reduction Act Administrative Cost		\$1,588
FERC Total		\$1,588

14 PC = planning coordinator

15 GO = generator owner

16 Based upon 2012 FTE average salary (\$143,540 or \$69.01/hour)

The Commission bases its estimate of the “Analysis and Processing of filings” cost to the Federal Government on salaries and benefits for professional and clerical support. This estimated cost represents staff analysis, decision-making, and review of any actual filings submitted in response to the information collection.

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

This is the first proposal for this proposed Reliability Standard. NERC states (in its petition) that UFLS requirements had been in place (continent-wide and within NPCC) for years prior to implementation of the Commission-approved Reliability Standards in 2007. Because the UFLS requirements have been in place prior to the development of PRC-006-NPCC-01, the proposed regional Reliability Standard is closely associated with requirements to which the entities already adhered.

FERC-725L	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	137	0	0	137
Annual Time Burden (Hr)	2,748	0	0	2,748
Annual Cost Burden (\$)	\$0	0	0	0

The format, label, and definitions of the table above follow the Office of Management and Budget’s online submittal system for information collection requests.

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no tabulating, statistical or tabulating analysis or publication plans for the collection of information.

17. DISPLAY OF EXPIRATION DATE

It is not appropriate to display the expiration date for OMB approval of the information collection. The information is not collected upon a standard form which would facilitate the display of the expiration date for OMB approval.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

FERC-725L, OMB Control No. TBD
NOPR in RM12-12, Issued: September, 20, 2012
RIN: 1902-AE54

The Commission does not use the data collected for this reporting requirement 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 information collection.