

FERC-725E  
Proposed Rule in RM13-13, Issued: July 18, 2013  
RIN: 1902-AE75  
OMB Control Number: 1902-0246

Supporting Statement

**FERC-725E, Regional Reliability Standard BAL-002-WECC-2 – Contingency Reserve  
NOPR (in RM13-13) issued Jul 18, 2013**

The Federal Energy Regulatory Commission (Commission or FERC) requests Office of Management and Budget (OMB) review and approval of **FERC-725E, Regional Reliability Standard BAL-002-WECC-2 – Contingency Reserve** as contained in the NOPR in Docket No. RM13-13-000 “Regional Reliability Standard BAL-002-WECC-2 – Contingency Reserve” (<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13309311>).

Within this NOPR, the Commission proposes the Regional Reliability Standard BAL-002-WECC-2 (Contingency Reserve). The North American Electric Reliability Corporation (NERC, the FERC-approved Electric Reliability Organization (ERO)) submitted this proposed standard to the Commission for review and approval. This regional Reliability Standard applies to balancing authorities and reserve sharing groups in the Western Electricity Coordinating Council (WECC) Region and is meant to specify the quantity and types of Contingency Reserve required to ensure reliability under normal and abnormal conditions. The Commission also proposes to approve the associated violation risk factors and violation severity levels, implementation plan, and effective date proposed by NERC and WECC.

NOTE: This NOPR will impose a one-time information collection burden.

**1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION  
NECESSARY**

The revised regional Reliability Standard (BAL-002-WECC-2) requires Balancing Authorities and/or Reserve Sharing Groups to calculate and maintain proper Contingency Reserve levels with the use of a new methodology. This proposed reliability standard makes the current WECC reliability standard<sup>1</sup> more stringent in calculating Contingency Reserves and restoration periods. Everything else in the proposed standard mirrors requirements in the current nation-wide standard<sup>2</sup>. The collection of information comes from updating existing documentation to update the methodology and results.

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

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<sup>1</sup> BAL-002-WECC-1

<sup>2</sup> NERC Reliability Standard BAL-002-1 (Disturbance Control Performance)

The revised regional Reliability Standard<sup>3</sup> requires Balancing Authorities and/or Reserve Sharing Groups within the WECC region to update any existing documentation used to calculate and maintain proper Contingency Reserve levels with the new methodology.

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

This regional Reliability Standard does not require respondents to file pertinent information with the Commission. All documentation will be completed by the entities and the only informational filing is directed to the ERO.

**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 only major changes between the proposed regional Reliability Standard and the current nation-wide standard is the methodology of calculating Contingency Reserve and the requirement for documentation addressing this issue to be modified and to reflect the changes in methodology and results.

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

This regional Reliability Standard does not contain provisions for the minimization of burden on small entities. All requirements in the regional Reliability Standard apply to every applicable entity. Additionally, the Commission certifies that the approved regional Reliability Standard will not impose a significant economic impact upon a substantial number of small entities according with the regulatory flexibility section of the Final Rule<sup>4</sup>.

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

This collection will be conducted one time. It involves changes that will be implemented once. Once the conditions of the NOPR are implemented and completed, this one-time burden will be removed in subsequent FERC-725E burden inventories.

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<sup>3</sup> BAL-002-WECC-2

<sup>4</sup> See Regulatory Flexibility Act Certification section within the final rule for this collection.

**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 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 and reviewing drafts, providing responses to comments, vetting, and voting, and NERC's submitting to FERC a final proposed standard for review and subsequent approval.

The Commission published this rulemaking in the Federal Register to provide public utilities, state commissions, Federal agencies, and other interested parties an opportunity to submit data, comments, or suggestions<sup>5</sup>.

**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**

The Commission does not consider this information to be confidential.

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

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<sup>5</sup> In accordance with 5 CFR 1320.11

FERC-725E  
 Proposed Rule in RM13-13, Issued: July 18, 2013  
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 OMB Control Number: 1902-0246

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 the Regional Reliability Standard BAL-002-WECC-2 – Contingency Reserve. NERC has requested approval for this regional Reliability Standard to address issues in the remand from Order 730 and to approve the new methodology to calculate Contingency Reserve levels within the WECC region. This NOPR will impose a one-time burden.

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

<b>FERC-725E: Regional Reliability Standard BAL-002-WECC-2 – Contingency Reserve</b>					
	<b>Number of Respondents (A)</b>	<b>Annual Number of Responses Per Respondent (B)</b>	<b>Total Number of Responses (A) x(B)=(C)</b>	<b>Average Burden Hours per Response (D)</b>	<b>Estimated Total Annual Burden (C)x(D)</b>
Update existing documentation to conform with Proposed Regional Reliability Standard	36	1	36	1	36

The total estimated annual cost burden to respondents is \$2,520 [36 \* \$70/hour<sup>6</sup> = \$2,520].

**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**

	<b>Number of Employees (FTEs) or Number of Hours</b>	<b>Estimated Annual Federal Cost</b>
Analysis and Processing of filings <sup>7</sup>	0	\$0

<sup>6</sup> Average salary (per hour) plus benefits per full-time equivalent employee  
<sup>7</sup> Based upon 2013 FTE average salary (\$145,818 or \$70/hour)

FERC-725E  
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Paperwork Reduction Act Administrative Cost		\$2,250
<b>FERC Total</b>		<b>\$2,250</b>

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. However this information is not being submitted to or retained for audit by FERC. Rather it is being retained for review by the Compliance Enforcement Authority as indicated in the proposed standard in the Compliance section C(1)(1.1).

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

The proposed WECC regional Reliability Standard applies to balancing authorities and reserve sharing groups in the WECC Region and is meant to specify the quantity and types of contingency reserve required to ensure reliability under normal and abnormal conditions. This is a one-time burden.

This information collection request concerns the regional reliability standard BAL-002-WECC-2 – Contingency Reserve. Commission staff will incorporate this reliability standard (and its associated burden of 36 responses and 36 annual burden hours) with other WECC reliability standards within FERC-725E. Approval of this request will result in an increase of 36 hours (annually) for FERC-725E.

Please see the table below. It reflects actual changes to the ROCIS metadata within this clearance package.

<b>FERC-725E</b>	<b>Total Request</b>	<b>Previously Approved</b>	<b>Change due to Adjustment in Estimate</b>	<b>Change Due to Agency Discretion</b>
Annual Number of Responses	514	478	0	36
Annual Time Burden (Hr)	10,181	10,145	0	36
Annual Cost Burden (\$)	\$0	\$0	\$0	\$0

FERC-725E

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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 on 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**

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.