

FERC-725E  
Final Rule in RM13-13, Issued: November 21, 2013  
RIN: 1902-AE75  
OMB Control Number: 1902-0246

Supporting Statement

**FERC-725E, Mandatory Reliability Standards for the Western Electric Coordinating Council**

**Final Rule (in RM13-13) issued November 21, 2013**

The Federal Energy Regulatory Commission (Commission or FERC) requests Office of Management and Budget (OMB) review and approval of **FERC-725E, Mandatory Reliability Standards for the Western Electric Coordinating Council**, as contained in the Final Rule in Docket No. RM13-13-000 (Regional Reliability Standard BAL-002-WECC-2 – Contingency Reserve) (<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13398041>).

Within the Final Rule, the Commission approves 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 Reliability Standard to the Commission for review and approval. The 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 approves the associated violation risk factors and violation severity levels, implementation plan, and effective date proposed by NERC and WECC.

NOTE: The Final Rule 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 approved Reliability Standard makes the current WECC reliability standard<sup>1</sup> more stringent in calculating Contingency Reserves and restoration periods. Everything else in the approved standard mirrors requirements in the current nationwide 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**

The use of improved information technology (in the interest of reducing technical or legal burden) is not covered in Reliability Standards. Therefore, any use of improved information technology is 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**

The information collection requirements are unique to this Reliability Standard and to this information collection. The Commission is unaware of any duplication in or of the requirements.

**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 Final Rule 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 approved 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 approved standard for review.

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>.

The Commission received comments in response to the Notice of Proposed Rulemaking (NOPR). NERC and WECC supported the proposed reliability standard. Tacoma and Portland both stated concerns over the methodology for calculating contingency reserve. Also, Portland questioned the data used by WECC to develop the new methodology. However, none of the comments pertain to the paperwork requirements of the Regional Standard.

For full review of all of the comments and discussion, reference Paragraphs 27-58 in the Final Rule: <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13398041>.

## **9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS**

There are no payments or gifts to the respondents.

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

**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**

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

**12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION**

The current FERC-725E collection contains the Reliability Standards specific to the WECC region:

- BAL-004-WECC-01
- IRO-006-WECC-1
- FAC-501-WECC-1
- PRC-004-WECC-1,
- VAR-002-WECC-1
- VAR-501-WECC-1
- TOP-007-WECC-1

The Final Rule approves 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 Final Rule will impose a one-time burden.

The Commission estimates the one-time Public Reporting Burden added to the FERC-725E information collection as a result of the RM13-13 Final Rule:

| <b>FERC-725E: Mandatory Reliability Standards for the Western Electric Coordinating Council</b> |                                      |  |   |  |  |
|---|--------------------------------------|--|---|--|--|
|   | <b>Number of Respondents<br/>(A)</b> | <b>Annual Number of Responses Per Respondent<br/>(B)</b> | <b>Total Number of Responses<br/>(A) x(B)=(C)</b> | <b>Average Burden Hours per Response<br/>(D)</b> | <b>Estimated Total Annual Burden<br/>(C)x(D)</b> |
|   |                                      |  |   |  |  |

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|   |    |   |    |   |    |
|---|----|---|----|---|----|
| Update existing documentation to conform with 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

|  | Number of Employees (FTEs) or Number of Hours | Estimated Annual Federal Cost |
|--|---|-------------------------------|
| Analysis and Processing of filings <sup>7</sup>          | 0   | \$0                           |
| Paperwork Reduction Act Administrative Cost <sup>8</sup> |   | \$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, Regional entities and NERC conduct the majority of the data processing, monitoring, and compliance work for Reliability Standards. The associated burden hours (related to processing, monitoring, and compliance work) is included in FERC-725 (OMB Control No. 1902-0225). This is the reason there is “\$0” of annual federal cost for “Analysis and Processing” accounted for here.

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

<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)

<sup>8</sup> The Commission bases the cost of Paperwork Reduction Act administration on staff time, and other costs related to compliance with the Paperwork Reduction Act of 1995.

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The approved 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 burden hours) with other WECC reliability standards within FERC-725E. Approval of this request will result in an increase of 36 hours (one-time) for FERC-725E. This one-time burden will be removed after the 1<sup>st</sup> year.

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                                    |

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**

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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.