

FERC-725Y (OMB Control No.1902-TBD)
Order issued 6/19/2014 in Docket No. RD14-7-000
(updated 4/22/2015)

Supporting Statement

FERC-725Y, Mandatory Reliability Standard PER-005-2 (Operations Personnel Training), as implemented in Docket No. RD14-7

In an Order issued 6/19/2014 in Docket RD14-7-000¹, the Federal Energy Regulatory Commission (Commission or FERC) approved Reliability Standard PER-005-2, Operations Personnel Training (and the retirement of currently-effective Reliability Standard PER-005-1, Systems Personnel Training), as requested by the North American Electric Reliability Corporation (NERC), the Commission-certified Electric Reliability Organization (ERO). FERC is requesting a three-year clearance for the new collection, FERC-725Y, covering Reliability Standard PER-005-2.

In the FERC Order issued 6/19/2014, the information collection related to Reliability Standard PER-005-2 was included in FERC-725A (Mandatory Reliability Standards for the Bulk-Power System) under OMB Control No. 1902-0244. In the recent 30-day notice and this related package, the information collection will be included in a new FERC-725Y (rather than FERC-725A).² (The existing information collection requirements in the currently effective Reliability Standard, PER-005-1, are approved by OMB under FERC-725A (OMB Control No.1902-0244).³)

The scope of the Reliability Standard PER-005 has been expanded (from PER-005-1 to PER-005-2) to include training requirements for:

- local transmission control center operator personnel;
- operations support personnel who perform current day or next day outage coordination or assessments, or who determine SOLs or IROLs or operating nomograms in support of real-time operations; and
- certain generator dispatch personnel at centrally located dispatch centers

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

On August 8, 2005, The Electricity Modernization Act of 2005, which is Title XII of the Energy Policy Act of 2005 (EPAAct 2005), was enacted into law.⁴ EPAAct 2005 added a new section 215 to the Federal Power Act (FPA), which requires a Commission-certified Electric Reliability Organization (ERO) to develop mandatory and enforceable Reliability Standards, subject to Commission review and approval. Once approved, the Reliability Standards may be enforced by the ERO, subject to Commission oversight, or by the Commission independently.

1 The order is available on FERC's eLibrary at <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13575372> and in the Federal Register at 79 FR 36305, 6/26/2014.

2 Only one package per OMB Control No. can be pending OMB review at a time, and packages for other unrelated dockets were pending OMB review. Therefore this submittal is being covered under a new collection in order to be submitted timely.

3 In a separate submittal in the future, the burden hours for PER-005-1, which are included in FERC-725A, will be removed from FERC-725A.

4 The Energy Policy Act of 2005, Pub. L. No 109-58, Title XII, Subtitle A, 119 Stat. 594, 941 (2005), codified at 16 U.S.C. 824o (2006).

On March 16, 2007 (pursuant to section 215(d) of the FPA), the Commission issued Order No. 693, approving 83 of the 107 initial Reliability Standards filed by NERC, including four PER Reliability Standards governing certain areas of personnel staffing and training. In addition, under section 215(d)(5) of the FPA, the Commission directed NERC to develop several modifications to the approved PER standards.

Specifically, the Commission directed NERC to develop revised or additional standards that would:

- identify the expectations of the training for each job function
- develop training programs tailored to each job function with consideration of the individual training needs of the personnel
- expand the applicability of the training requirements to include reliability coordinators, local transmission control center operator personnel, generator operators centrally-located at a generation control center with a direct impact on the reliable operation of the Bulk-Power System, and operations planning and operations support staff who carry out outage planning and assessments and those who develop system operating limits (SOL), interconnection reliability operating limits (IROL), or operating nomograms for real-time operations
- use a systematic approach to training methodology for developing new training programs
- include the use of simulators by reliability coordinators, transmission operators, and balancing authorities that have operational control over a significant portion of load and generation.

In addition, the Commission directed NERC to determine whether it was feasible to develop meaningful performance metrics associated with the effectiveness of a training program required by then-effective Reliability Standard PER-002-0 and to consider whether personnel who support Energy Management System (EMS) applications should be included in mandatory training pursuant to the Reliability Standard.

NERC addressed a portion of the Order No. 693 directives in a September 30, 2009 filing; FERC approved those Reliability Standards in Order No. 742. However, the Commission noted that the standards did not fully satisfy the directives issued in Order No. 693, and issued additional directives to NERC.

On March 7, 2014, NERC filed a Petition⁵ seeking approval of proposed PER-005-2, explaining that the purpose of the revisions is to “improve upon PER-005-1 by expanding the scope of the Reliability Standard” consistent with the Commission’s directives in Order Nos. 693 and 742. The FERC Order in Docket No. RD14-7 addresses the NERC Petition and approves Reliability Standard PER-005-2.

⁵The Petition is available in FERC’s eLibrary at <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13478473> . Exhibit A contains the proposed Reliability Standard (at <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13478474>). The other attached Exhibits are separate files in eLibrary accession no. 20140307-5142 and can be accessed by doing an advanced search on the accession number.

Links to the components (in eLibrary) of NERC’s Petition are also provided in the Supplementary Documents in reginfo.gov and [ROCIS](http://rocis.ferc.gov).

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

As stated in NERC’s Petition, “[t]he Personnel Performance, Training, and Qualifications (“PER”) group of Reliability Standards is intended to help ensure the safe and reliable operation of the interconnected grid through the retention of suitably trained and qualified personnel in positions that can impact the reliable operation of the Bulk-Power System.”

The information collection (data reported and retained) as required by Reliability Standard PER-005-2 is not submitted to FERC; rather it is retained for access by NERC, the Regional Entity, or FERC in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

Reliability Standard PER-005-2 applies to:⁶

- Reliability Coordinators (RC)
- Balancing Authorities (BA)
- Transmission Operators (TOP)
- Transmission Owners (TO) that have personnel, excluding field switching personnel, who can act independently to operate or direct the operation of the Transmission Owner’s Bulk Electric System transmission Facilities in Real-time
- Generator Operator (GOP) that have Dispatch personnel at a centrally located dispatch center who receive direction from the Generator Operator’s Reliability Coordinator, Balancing Authority, Transmission Operator, or Transmission Owner, and may develop specific dispatch instructions for plant operators under their control. These personnel do not include plant operators located at a generator plant site or personnel at a centrally located dispatch center who relay dispatch instructions without making any modifications.

The reporting and recordkeeping requirements of Reliability Standard PER-005-2 follow, with notations on: (a) the new and revised requirements which are included in FERC-725Y, and (b) existing requirements for which the burden continues to be covered in FERC-725A. (All of the requirements are included here to aid the reader.)

[existing FERC-725A burden] R1. Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall use a systematic approach to develop and implement a training program for its System Operators as follows:

- 1.1. Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall create a list of Bulk Electric System (BES) company-specific Real-time reliability-related tasks based on a defined and documented methodology.

⁶ Reliability Standard PER-005-1, which is being replaced, did not apply to Transmission Owners or Generator Operators.

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1.1.1. Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall review, and update if necessary, its list of BES company- specific Real-time reliability-related tasks identified in part 1.1 each calendar year.

1.2. Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall design and develop training materials according to its training program, based on the BES company-specific Real-time reliability-related task list created in part 1.1.

1.3. Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall deliver training to its System Operators according to its training program.

1.4. Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall conduct an evaluation each calendar year of the training program established in Requirement R1 to identify any needed changes to the training program and shall implement the changes identified.

M1. [existing FERC-725A burden] Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall have available for inspection evidence of using a systematic approach to develop and implement a training program for its System Operators, as specified in Requirement R1.

M1.1 Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall have available for inspection its methodology and its BES company- specific Real-time reliability-related task list, with the date of the last review, as specified in Requirement R1 part 1.1 and part 1.1.1.

M1.2 Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall have available for inspection training materials, as specified in Requirement R1 part 1.2.

M1.3 Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall have available for inspection System Operator training records showing the names of the people trained, the title of the training delivered, and the dates of delivery to show that it delivered the training, as specified in Requirement R1 part 1.3.

M1.4 Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall have available for inspection evidence (such as instructor observations, trainee feedback, supervisor feedback, course evaluations, learning assessments, or internal audit results) that it performed an evaluation of its training program each calendar year, as specified in Requirement R1 part 1.4.

R2. [FERC-725Y] Each Transmission Owner shall use a systematic approach to develop and implement a training program for its personnel identified in Applicability Section 4.1.4.1 of this standard as follows:

2.1. Each Transmission Owner shall create a list of BES company-specific Real-time reliability-related tasks based on a defined and documented methodology.

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2.1.1. Each Transmission Owner shall review, and update if necessary, its list of BES company-specific Real-time reliability-related tasks identified in part 2.1 each calendar year.

2.2. Each Transmission Owner shall design and develop training materials according to its training program, based on the BES company-specific Real-time reliability-related task list created in part 2.1.

2.3. Each Transmission Owner shall deliver training to its personnel identified in Applicability Section 4.1.4.1 of this standard according to its training program.

2.4. Each Transmission Owner shall conduct an evaluation each calendar year of the training program established in Requirement R2 to identify any needed changes to the training program and shall implement the changes identified.

M2. [FERC-725Y] Each Transmission Owner shall have available for inspection evidence of using a systematic approach to develop and implement a training program for its applicable personnel, as specified in Requirement R2.

M2.1 Each Transmission Owner shall have available for inspection its methodology and its BES company-specific Real-time reliability-related task list, with the date of the last review, as specified in Requirement R2 part 2.1.

M2.2 Each Transmission Owner shall have available for inspection training materials, as specified in Requirement R2 part 2.2.

M2.3 Each Transmission Owner shall have available for inspection training records showing the names of the people trained, the title of the training delivered, and the dates of delivery to show that it delivered the training, as specified in Requirement R2 part 2.3.

M2.4 Each Transmission Owner shall have available for inspection evidence (such as instructor observations, trainee feedback, supervisor feedback, course evaluations, learning assessments, or internal audit results) that it performed an evaluation of its training program each calendar year, as specified in Requirement R2 part 2.4.

R3. [FERC-725A for RC, BA, and TOP; FERC-725Y for TO] Each Reliability Coordinator, Balancing Authority, Transmission Operator, and Transmission Owner shall verify, at least once, the capabilities of its personnel, identified in Requirement R1 or Requirement R2, assigned to perform each of the BES company-specific Real-time reliability-related tasks identified under Requirement R1 part 1.1 or Requirement R2 part 2.1.

3.1. Within six months of a modification or addition of a BES company-specific Real-time reliability-related task, each Reliability Coordinator, Balancing Authority, Transmission Operator, and Transmission Owner shall verify the capabilities of each of its personnel identified in Requirement R1 or Requirement R2 to perform the new or modified BES company-specific Real-time reliability-related tasks identified in Requirement R1 part 1.1 or Requirement R2 part 2.1.

M3. [FERC-725A for RC, BA, and TOP; FERC-725Y for TO] Each Reliability Coordinator, Balancing Authority, Transmission Operator, and Transmission Owner shall have available for inspection evidence to show that it verified the capabilities of each of its personnel, identified in Requirement R1 or Requirement R2, assigned to perform each of the BES company-specific Real-time reliability-related tasks identified under Requirement R1 part 1.1 or Requirement R2 part 2.1. This evidence may be documents such as records showing capability to perform BES company-specific Real-time reliability-related tasks with the employee name and date; supervisor check sheets showing the employee name, date, and BES company-specific Real-time reliability-related task completed; or the results of learning assessments.

M3.1 Each Reliability Coordinator, Balancing Authority, Transmission Operator, or Transmission Owner shall present evidence that it verified the capabilities of applicable personnel to perform new or modified BES company-specific Real-time reliability-related tasks within 6 months of a modification or addition of a BES company-specific Real-time reliability-related task.

R4. [FERC-725A for RC, BA, and TOP; FERC-725Y for TO] Each Reliability Coordinator, Balancing Authority, Transmission Operator, and Transmission Owner that (1) has operational authority or control over Facilities with established Interconnection Reliability Operating Limits (IROLs), or (2) has established protection systems or operating guides to mitigate IROL violations, shall provide its personnel identified in Requirement R1 or Requirement R2 with emergency operations training using simulation technology such as a simulator, virtual technology, or other technology that replicates the operational behavior of the BES.

4.1. A Reliability Coordinator, Balancing Authority, Transmission Operator, or Transmission Owner that did not previously meet the criteria of Requirement R4, shall comply with Requirement R4 within 12 months of meeting the criteria.

M4. [FERC-725A for RC, BA, and TOP; FERC-725Y for TO] Each Reliability Coordinator, Balancing Authority, Transmission Operator, and Transmission Owner shall have available for inspection training records that provide evidence that personnel identified in Requirement R1 or Requirement R2 completed training that includes the use of simulation technology, as specified in Requirement R4.

M4.1 Each Reliability Coordinator, Balancing Authority, Transmission Operator, and Transmission Owner shall have available for inspection training records that provide evidence that personnel identified in Requirement R1 or Requirement R2 completed training that included the use of simulation technology, as specified in Requirement R4, within 12 months of meeting the criteria of Requirement R4.

R5. [FERC-725Y] Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall use a systematic approach to develop and implement training for its identified Operations Support Personnel on how their job function(s) impact those BES company-specific Real-time reliability-related tasks identified by the entity pursuant to Requirement R1 part 1.1.

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5.1 Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall conduct an evaluation each calendar year of the training established in Requirement R5 to identify and implement changes to the training.

M5. [FERC-725Y] Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall have available for inspection evidence that Operations Support Personnel completed training in accordance with its systematic approach. This evidence may be documents such as training records showing successful completion of training. Documentation of training shall include employee name and date of training.

M5.1 Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall have available for inspection evidence (such as instructor observations, trainee feedback, supervisor feedback, course evaluations, learning assessments, or internal audit results) that it performed an evaluation each calendar year, as specified in Requirement R5 part 5.1.

R6. [FERC-725Y] Each Generator Operator shall use a systematic approach to develop and implement training to its personnel identified in Applicability Section 4.1.5.1 of this standard, on how their job function(s) impact the reliable operations of the BES during normal and emergency operations.

6.1. Each Generator Operator shall conduct an evaluation each calendar year of the training established in Requirement R6 to identify and implement changes to the training.

M6. [FERC-725Y] Each Generator Operator shall have available for inspection evidence that its applicable personnel completed training in accordance with its systematic approach. This evidence may be documents such as training records showing successful completion of training. Documentation of training shall include employee name and date of training.

M6.1 Each Generator Operator shall have available for inspection evidence (such as instructor observations, trainee feedback, supervisor feedback, course evaluations, learning assessments, or internal audit results) that it performed an evaluation each calendar year, as specified in Requirement R6 part 6.1.

C. Compliance

1. Compliance Monitoring Process

1.1. Compliance Enforcement Authority

As defined in the NERC Rules of Procedure, “Compliance Enforcement Authority” means NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

1.2. Evidence Retention [FERC-725Y for GOP and TO, and new records for RC, BA, and TOP; FERC-725A for old records for RC, BA, and TOP]]

The following evidence retention periods identify the period of time an entity is required to retain specific evidence to demonstrate compliance. For instances where the evidence retention period specified below is shorter than the time since the last audit, the compliance enforcement authority may ask an entity to provide other evidence to show that it was compliant for the full-time period since the last audit.

Each Reliability Coordinator, Balancing Authority, Transmission Operator, Transmission Owner, and Generator Operator shall keep data or evidence to show compliance for three years or since its last compliance audit, whichever time frame is greater, unless directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation.

If a Reliability Coordinator, Balancing Authority, Transmission Operator, Transmission Owner, or Generator Operator is found non-compliant, it shall keep information related to the non-compliance until found compliant.

The Compliance Enforcement Authority shall keep the last audit records and all requested and submitted subsequent audit records.

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 current or improved technology is not covered in Reliability Standards, and is therefore left to the discretion of each reporting entity. We think that nearly all of the respondents are likely to make and keep related records in an electronic format. Each of the eight Regional Entities has a well-established compliance portal for registered entities to electronically submit compliance information and reports. The compliance portals allow documents developed by the registered entities to be attached and uploaded to the Regional Entity's portal. Compliance data can also be submitted by filling out data forms on the portals. These portals are accessible through an internet browser password protected user interface.

The submittals are not made to FERC.

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 is not available elsewhere. The standard-developing group (the ERO and various stakeholders) think it needs to be addressed and documented, as indicated in the NERC petition.

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

Small entities generally can reduce their burden by taking part in a joint registration organization or a coordinated function registration. These options allow an entity the ability to share its compliance burden with other similar entities.

Detailed information regarding these options are available in NERC's Rules of Procedure at sections 507 and 508.⁷

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

There would be greater risk and vulnerability to the safe and reliable operation of the Nation's Bulk-Power System if suitably trained and qualified personnel were not retained and their training not provided, refreshed, and updated, and documented.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

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

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

The ERO process to develop proposed Reliability Standards is a collaborative process involving the ERO, Regional Entities and other stakeholders developing and reviewing drafts, and providing comments, vetting and voting (possibly multiple rounds) on the proposed standards, with the final proposed standard submitted to the FERC for review and approval.⁸

In addition, the NERC petition seeking approval of PER-005-2 is available in the Commission's eLibrary for public review and comment. Comments were received from the following:

- California Independent System Operator Corporation; Electric Reliability Council Of Texas, Inc.; Independent Electricity System Operator; Iso New England Inc.; Midcontinent Independent System Operator, Inc.; New York Independent System Operator, Inc.; and Southwest Power Pool, Inc. (at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13511869>)

Summary of comment: The ISO/RTO Commenters support approval of PER-005-2, because it reasonably identifies individuals who may affect real-time system operations/reliability,

⁷Details of the current ERO Reliability Standard processes are available on the NERC website at <http://www.nerc.com/pa/Stand/Resources/Documents/Appendix3AStandardsProcessesManual.pdf>.

⁸Details of the current ERO Reliability Standard processes are available on the NERC website at http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/Appendix_3A_StandardProcessesManual_20130626.pdf.

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sets out a reasonable scope for the training obligations, requires applicable entities to verify initial capabilities of its personnel, requires some form of simulation-based training for personnel involved with the operation of facilities that either have an IROL or are used to mitigate an IROL (without dictating the specific type of simulation training), and properly excludes personnel who support EMS applications. While the ISO/RTO Commenters maintain that the proposed standard “encompasses discretion on the part of the functional entities to ‘identif[y]’ which personnel fall within the definition of Operations Support Personnel,” they also ask the Commission to “confirm that functional entities have the discretion to make that identification.”

FERC response: The NERC definition of Operations Support Personnel sets forth the parameters of which employees must be trained pursuant to Requirement R5. We agree that applicable entities should exercise reasonable discretion in determining which of their employees fit within that definition. If an issue or uncertainty arises regarding the proper identification of employees, an applicable entity may seek to consult with the relevant Regional Entity or NERC.

- PJM Interconnection, L.L.C. (at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13517706>)

Summary of comment: While PJM does not ask the Commission to reject the proposed standard, it criticizes PER-005-2 as “an unnecessary and a potentially ineffective means to address an otherwise straightforward requirement; namely to train appropriate personnel.” PJM maintains that program accreditation “would be a more appropriate means to address training requirements for the industry as opposed to a prescriptive, broad-brush Reliability Standard.” PJM explains that an accreditation model “would place the emphasis on the training program itself, and associated controls,” rather than on applicable individuals, their personal training and performance records, individual pieces of training content, and other administrative documentation.” PJM accordingly asks the Commission to clarify that “an industry-accreditation program (with parameters overseen by FERC) can provide an acceptable means for compliance with the PER Standard and is not precluded as an alternative means of compliance with those requirements.”

FERC response. The Commission notes that, at present, an accreditation-based training program is not precluded “as an alternative means of compliance” if it otherwise meets all of the requirements of PER-005-2. If PJM would like to pursue accreditation-based training programs that take a fundamentally different approach to training as an alternative to PER-005-2 (i.e., they would not satisfy the requirements of PER-005-2), that approach would require revision of PER-005-2 and/or development of a new standard governing such alternative programs. PJM or other interested stakeholders may pursue such an approach through NERC’s standard development process.

The Commission issued an Order on 6/19/2014 which included a 60-day period for public comment. No further comments were received. The Commission issued a 30-day notice⁹ for

⁹ The 30-day notice was issued on 8/29/2014 and is available at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13625372> (79 FR 53176, 9/8/2014).

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public comment and is submitting this request to OMB. FERC also issued an Errata on
9/25/2014.¹⁰

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

The Commission does not make payments or provide gifts for respondents related to this collection.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

There are no specific assurances of confidentiality mentioned to respondents.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE, SUCH AS SEXUAL BEHAVIOR AND ATTITUDES, RELIGIOUS BELIEFS, AND OTHER MATTERS THAT ARE COMMONLY CONSIDERED PRIVATE.

This collection does not contain any questions of a sensitive nature.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

FERC-725Y is a new collection which will contain Mandatory Reliability Standards (Personnel Performance, Training, and Qualifications). The first standard being included in FERC-725Y is PER-005-2 (Operations Personnel Training), as implemented in the order in Docket RD14-7.¹¹

See the answer to #15 for the estimated burden for this new collection.

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is no start-up, capital, or other non-labor hour cost associated with the PRA aspects of this Order in RD14-7; all RD14-7 costs are associated with burden hours and are addressed in Question 15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

10 The Errata is posted at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13643653>.

11 The previous version of the standard (PER-005-1) is included in (and a very small component of) FERC-725A ("Mandatory Reliability Standards for Bulk-Power System") and will be removed from FERC-725A in the future. (The existing annual burden inventory for the entire FERC-725A collection is approximately 1.8 million burden hours. FERC-725A contains the information collection requirements for nearly all of the U.S.-wide Reliability Standards and was started in 2007 when FERC approved 83 Reliability Standards with an estimated 1,252,680 burden hours.)

In order to provide improved information on the standard and associated burden, FERC-725Y (rather than FERC-725A) will cover the additional burden required by PER-005-2.

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The Regional Entities and NERC do most of the data processing, monitoring and compliance work for Reliability Standards. Any involvement by the Commission is covered under the FERC-725 collection (OMB Control No. 1902-0225) and is not part of this request or package.

The PRA Administrative Cost (estimate of \$5,092) is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the Paperwork Reduction Act (PRA) for rulemakings, orders, or any other vehicle used to create, modify, or discontinue an information collection. The Commission estimates the average annual PRA administrative cost per collection and includes the estimate as a Federal Cost when requesting an extension to an existing collection or approval of a new collection (rather than including the cost estimate in each step of a rulemaking). This average annual cost includes requests for extensions, all associated rulemakings or orders, and other changes to the collection.

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

The Commission directed NERC to develop several modifications to the approved PER personnel training standards (e.g., to develop revised or additional standards that would: (1) identify the expectations of the training for each job function; (2) develop training programs tailored to each job function with consideration of the individual training needs of the personnel; (3) expand the applicability of the training requirements; (4) use a systematic approach to training methodology for developing new training programs; and (5) include the use of simulators by reliability coordinators, transmission operators, and balancing authorities that have operational control over a significant portion of load and generation). Some of the requirements were met earlier and remaining requirements are being addressed in this Order in RD14-7.

Our estimate below regarding the number of respondents is based on the NERC compliance registry as of April 30, 2014. According to the NERC compliance registry, NERC has registered 15 reliability coordinators, 107 balancing authorities, 182 transmission operators, 337 transmission owners and 848 generator operators.

However, under NERC's compliance registration program, entities may be registered for multiple functions, so these numbers incorporate some double counting. The number of unique entities responding will be no more than 1,266 entities registered as a reliability coordinator, balancing authority, transmission operator, transmission owner, or generator operator.¹²

The Commission estimates the additional annual reporting burden and cost,¹³ due to implementation of the Order in Docket RD14-7 and Reliability Standard PER-005-2 as follows:

¹² As stated in the Errata Notice issued 9/25/2014 (at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13643653>), the number of unique entities/respondents will be no more than 1,266. Each unique entity is considered to have 1 response annually each for one-time and for ongoing requirements.

¹³ The burden discussed here due to the implementation of RD14-7 is in addition to the burden hours for PER-005-1, which are included in FERC-725A. Those hours will be removed from FERC-725A at a later time.

	Number and Type of Respondents <small>^{12, 14}</small> (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses <small>¹²</small> (1)X(2)	Avg. Burden Hrs. & Cost Per Response (\$) (3)	Total Annual Burden Hours & Total Annual Cost (\$) (1)x(2)x(3)	Cost per Respondent¹⁵ (\$)
(One-time) Development of a training program and materials, and task list [R2]	TO (337) ¹⁶	1	337	15 hrs. & \$59.62/hour	5,055 hours & \$301,379.10	\$894.30
(One-Time) Development of a training program [R5 – 13 hrs.] & (on-going) record retention [M5 and C.1.2 – 2 hrs.]	RC, BA, TOP (216)	1	216	15 hrs. & \$59.62/hour	3,240 hours & \$193,168.80 ¹⁷	\$894.30
(One-time) Development of a training program [R6]	GOP (848)	1	848	15 hrs. & \$59.62/hour	12,720 hours & \$758,366.40	\$894.30

14 TO=Transmission Owner; RC=Reliability Coordinator; BA=Balancing Authority; TOP=Transmission Operator; GOP=Generator Operator.

15 The estimated hourly costs (salary plus benefits) are based on Bureau of Labor and Statistics (BLS) information from spring 2014 (at http://bls.gov/oes/current/naics3_221000.htm#17-0000) for an electrical engineer (\$59.62/hour for review and documentation), and for a file clerk (\$28.95/hour for record retention).

16 Not all transmission owners are expected to have personnel who will be subject to the revised personnel training requirements, but this estimate conservatively includes all registered TOs. The same approach is taken with respect to generator operators.

17 For the group of 216 filers

- 13 of the 15 hours/filer are estimated to be one-time, giving an annual burden and cost for the group of 216 filers of 2,808 hours and \$167,412.96
- 2 of the 15 hours/filer are estimated to be ongoing, giving an annual burden and cost for the group of 216 filers of 432 hours and \$25,755.84.

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Sub-Total of one-time requirements					20,583 hrs. & \$1,236,158.46	
	¹²			1,266 ¹²		
(Ongoing) Annual Evaluation and Update of Training Program and Task List [R2 and R6]	TO (337), GOP (848)	1	1,050 ¹⁸	6 hrs. & \$59.62/hour	6,300 hours & \$375,606	\$357.72
(Ongoing) Retention of Records [M2, M6, and C.1.2]	TO (337), GOP (848)	1	1,050	10 hrs. & \$28.95/hour	10,500 hrs. & \$303,975	\$289.50
(Ongoing) Verification and Retention of Evidence of capabilities of personnel [R3, M3, C1.2], and Creation and Retention of Records on Simulation Training [R4 and M4]	TO (337)	1	337	10 hrs. & \$28.95/hour	3,370 hrs. & \$97,561.50	\$289.50
Sub-Total for ongoing requirements	¹²				20,602 hrs. and \$802,898.34	
			1,266 ¹²			

From the table above, the total additional hours (including reporting and recordkeeping) are:

- one-time implementation, 20,583 hours
- ongoing, 20,602 hours

giving a total in the initial year of implementation of 41,185 additional hours. In subsequent years after implementation, that additional burden would drop to the ongoing figure of 20,602 hours. The additional ongoing hours (20,602) will be one IC, and the additional one-time

¹⁸ Some transmission owners are also generator operators. To eliminate double counting some entities, this figure reflects the number of unique entities (1,050) within the group of TOs and GOPs. That approach is used throughout the table.

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implementation hours (20,583) will be a separate IC (which will be removed after completion of the one-time implementation).

For reginfo.gov and ROCIS, this one-time implementation burden of 20,583hours will be averaged over Years 1-3. Therefore the additional annual hours for Years 1-3 are 27,463 hours [(20,583/3)+20,602].

The following table summarizes the change in burden and responses due to the Order in RD14-7.

FERC-725Y	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	2,532	0	0	+2,532 ^{12, 19}
Annual Time Burden (Hr.)	27,463	0	0	+27,463
Annual Cost Burden (\$)	0	0	0	0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no data publications as part of this collection

17. DISPLAY OF EXPIRATION DATE

It is not appropriate to display the expiration date because the information is part of a Reliability Standard and published on the NERC website. However, the PRA information (including expiration date and OMB Control No.) is available on www.ferc.gov at <http://www.ferc.gov/docs-filing/info-collections.asp>.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

The Commission does not use statistical methods for this collection. Therefore, the Commission does not certify that the collection uses statistical methods.

¹⁹This is counting, for each of the 1,266 respondents, one on-going response and one one-time response.