

**SUPPORTING STATEMENT FOR
FERC-725G2, Disturbance Monitoring and Reporting Requirements**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review the information collection requirements in the **FERC-725G2, Mandatory Reliability Standards for the Bulk-Power System: Disturbance Monitoring and Reporting Requirements**. FERC-725G2 (OMB Control No. 1902-TBD) is a new Commission data collection, as contained within 18 Code of Federal Regulations (CFR), Part 40.

In this NOPR (Notice of Proposed Rulemaking) in Docket RM15-4, the Commission proposes to approve a revised Reliability Standard PRC-002-2.

The existing information collection requirements in the currently-approved family of PRC Reliability Standards are approved by OMB under FERC-725A (OMB Control No. 1902-0244), FERC-725G (OMB Control No. 1902-0252), and FERC-725P (OMB Control No. 1902-0269). The Commission submits the changes due to the NOPR in Docket No. RM15-4-000 under the FERC-725G2 information collection (OMB Control No. TBD). Although FERC-725G2 is intended as a temporary collection to ensure FERC's timely submission to OMB, all PRC reliability standards should eventually be in the FERC-725G information collection (OMB Control No. 1902-0252).

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 (EPAct 2005), was enacted into law. EPAct 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, which are subject to Commission review and approval. Once approved, the Reliability Standards may be enforced by the ERO, subject to Commission oversight.

Section 215 of the FPA requires a Commission-certified ERO to develop mandatory and enforceable Reliability Standards, subject to Commission review and approval.¹ Once approved, the Reliability Standards may be enforced by the ERO subject to Commission oversight, or by the Commission independently.² In 2006, the Commission certified NERC as the ERO pursuant to FPA section 215.³

¹ *Id.* 824o(c), (d).

² *Id.* 824o(e).

³ *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062 (ERO Certification Order), *order on reh'g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,190, *order on reh'g*, 119 FERC ¶ 61,046 (2007), *rev. denied sub nom. Alcoa Inc. v. FERC*, 564 F.3d 1342 (D.C. Cir. 2009).

The interconnected bulk power system is very complex. It consists of static (e.g., transmission lines) and dynamic (e.g., generation) devices connected and controlled, manually and automatically. Disturbances initiate a sequence of events that if left uncontrolled, could lead to cascading and eventually blackouts. These disturbances result in abnormal electrical quantities or information that can be collected and assembled to determine their cause. The result of this analysis is used by the entities, NERC and FERC to make sure that the causes of the disturbance are mitigated and to prevent similar disturbances to occur in the future.

Reliability Standard PRC-002-2 requires entities to collect electrical information in key locations in the bulk power system to facilitate the analysis of events following a disturbance. The standard requires the entities to use the same data specifications and to synchronize the recordings, which enable entities to create a sequence of events that can be analyzed to determine the cause of the disturbance. By correcting the causes, the reliability of the system can be improved.

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

PRC-002-2 requires Transmission Owners and Generator Owners to identify the elements in the bulk power system where electrical information is needed to analyze an event, following a disturbance in the Bulk-Power System (BPS). Engineers use computer models to reconstruct the events, which follows a disturbance. If actual electrical quantities are available to the entities, NERC and FERC, these models can be used effectively and in a timely manner to determine and mitigate the cause(s) of the disturbance.

If electrical information (data) is not available (collected) in the appropriate locations and is not synchronized, it is very difficult for engineers to determine the cause(s) of the disturbance. If these causes are not known they cannot be mitigated and similar disturbances can occur in the future jeopardizing the Reliability of the bulk power system.

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

The use of current or improved technology and the medium are not covered in Reliability Standards, and are therefore left to the discretion of each respondent.

In general, the Commission supports the use of information technology to reduce burden.

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. Under this proceeding, Reliability Standard PRC-002-2 does not duplicate any filing requirements since the Final Rule revises an existing standard to improve clarity and efficiency.

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

FERC estimates the proposed Reliability Standard applies to approximately 526 entities in the United States. The Commission estimates that approximately 52 of the 526 entities are small entities. FERC considers the impact of the rule to be very minimal. In general, small entities may reduce their burden by taking part in a joint registration organization or a coordinated functional registration. These options allow a small entity to share the compliance burden with other entities and, thus, to minimize their own compliance burden. Detailed information regarding these options is available in NERC's Rule of Procedure at Sections 507 and 508⁴.

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

The additional burden imposed by this proposed requirement is one-time only and cannot be conducted less frequently. The record retention requirements are either existing requirements or considered usual business practice.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are two special circumstances as described in 5 CFR 1320.5(d)(2) related to this information collection:

The data retention requirement in the Reliability Standard PRC-002-2 says:

- The Transmission Owner shall retain evidence of Requirement R1, Measure M1 for five calendar years.
- The Responsible Entity (Planning Coordinator or Reliability Coordinator, as applicable) shall retain evidence of Requirement R5, Measure M5 for five calendar years.

These special circumstances are necessary because the industry determined that the location of the recordings and the BES elements for which dynamic recordings are required, needed to be evaluated at least once every five years. The stakeholders and NERC determined that five years was an adequate interval of time to make these evaluations, considering the extent of work and expertise required to maintain the benefits from this data.

8. DESCRIBE EFFORTS TO CONSULT OUTSIDE THE AGENCY: SUMMARIZE PUBLIC COMMENTS AND 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. The reliability standard was submitted to the FERC for review and approval. In addition, each FERC rulemaking (both proposed and final rules) is 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 approved collection of data. The NOPR was published in the Federal Register on 4/22/2015 (80 FR 22441).

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents associated with this collection.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

According to the NERC Rules of Procedure 1502,⁵ "...a Receiving Entity shall keep in confidence and not copy, disclose, or distribute any Confidential Information or any part thereof without the permission of the Submitting Entity, except as otherwise legally required." This serves to protect confidential information submitted to NERC or Regional Entities.

Responding entities do not submit the information collected under the approved Reliability Standard to FERC. Rather, they maintain it internally. Since there are no submissions made to FERC, FERC provides no specific provisions in order to protect confidentiality unless and until any such information is submitted to FERC as part of an enforcement action or other compliance process.

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.

⁵ Section 1502, Paragraph 2, available at NERC's website.

There are no questions of a sensitive nature in the reporting requirements.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

At the time of Commission review of proposed Reliability Standard PRC-002-2, 330 transmission owners and 914 generation owners in the United States are registered in the NERC compliance registry. The Commission estimates that two-thirds (216) of these registered transmission owners will need to comply with at least one of the requirements contained in proposed Reliability Standard PRC-002-2. The Commission notes that many generation sites share a common generation owner. Due to the nature of this task, it is likely generator owners will manage this information aggregation task using a centralized staff. Therefore, we estimate that one-third of the generation owners (305) will have to meet the requirements contained in proposed Reliability Standard PRC-002-2. Finally, the Commission finds that number of “Responsible Entities”⁶ in the United States to equal fifty, based on the NERC compliance registry. The following table illustrates the burden to be applied to the information collection (See table 2 below).⁷

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no non-labor costs currently associated with either FERC-725G2 or this rulemaking. Commission staff assumes that the information collection requirements associated with this rulemaking can be completed by entities using existing hardware and/or software.

All of the costs in the Final Rule are associated with burden hours (labor) and described in #12 and #15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

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 estimated annualized cost to the Federal Government for FERC-725G2 as related to the requirements in the Final Rule in RM15-4-000 follows:

Table 1. Annualized cost to Federal Government

⁶ As discussed above, proposed Reliability Standard PRC-002-2 defines the term “Responsible Entity” to include planning coordinators in the Eastern Interconnection, the reliability coordinator in the Western Interconnection, and planning coordinators or the reliability coordinator in the ERCOT Interconnection.

⁷ In the burden table, engineering is abbreviated as “(Eng.)” and record keeping is abbreviated as “(R.K.)”

	Number of Employees (FTE)	Estimated Annual Federal Cost
FERC-725G2 Analysis and Processing of filings	0	\$0
PRA ⁸ Administrative Cost ⁹		\$5,193
FERC Total		\$5,193

15. REASONS FOR CHANGES IN BURDEN INCLUDING THE NEED FOR ANY INCREASE¹⁰

Reliability Standard PRC-002-2 requires entities to collect electrical information and replaces PRC-018-1 and PRC-002-1, which require equipment to be installed. By focusing on the practical aspect of gathering abnormal electrical information following a disturbance in the BPS instead of in the installation of equipment, PRC-002-2 increases the amount of engineering and administrative effort required from 0 to 64,208 hrs. which is a net increase of 64,208 hrs.

The estimated one-time public burden due to the revisions in the RM15-4-000 NOPR (and the FERC-725G2 information collection) are included in the following table:

⁸ Paperwork Reduction Act of 1995 (PRA)

⁹ The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the PRA for rulemakings, orders, or any other vehicle used to create, modify, extend, or discontinue an information collection. This average annual cost includes requests for extensions, all associated rulemakings (not just the NOPR in Docket No. RM15-4-000), and other changes to the collection.

¹⁰ PRC-018-1 was approved under order No. 693, (Docket No. RM06-16-000), where FERC approved 83 of 107 proposed Reliability Standards and FERC never approved PRC-002-1. The approved Reliability Standards in Order No. 693 are identified under data collection, FERC-725A ("Bulk Power System Mandatory Reliability Standards," OMB Control No. 1902-0244. The burden hours that are being added in FERC-725G2 reflect the entire burden associated with PRC-002-2 (which replaces PRC-018-1 and PRC-002-1). In the future, the burden hours for PRC-018-1 will administratively be removed from FERC-725A to remove the temporary double counting

Table 2: Total Annual Burden Hours Total Annual Cost

Requirement and Respondent Category for PRC-002-2	Number of Respondents (1)	Annual Number of Responses (2)	Total Number of Responses (1)*(2)=(3)	Average Burden Hours & Cost per Response ¹¹ (4)	Annual Burden Hours & Annual Cost (3)*(4)	Total Annual Burden Hours Total Annual Cost
R1. ¹² Each Transmission Owner	324	1	324	(Eng.) 24 hrs. (\$1,568.16); (R.K.) 12 hrs. (\$401.04)	(Eng.) 7776 hrs., (\$508,083.84) (R.K.) 3888 hrs., (\$129,936.96)	11,664 hrs. \$638,020.80
R2. Each Transmission Owner and Generator Owner	521	1	521	(Eng.) 10 hrs. (\$653.40) (R.K.) 4 hrs. (\$133.68)	(Eng.) 5210 hrs. (\$340,421.40) (R.K.) 2084 hrs., (\$69,647.28)	7,294 hrs. \$410,068.68
R3 & R4. Each Transmission Owner and Generator Owner	521	1	521	(Eng.) 10 hrs. (\$653.40) (R.K.) 4 hrs. (\$133.68)	(Eng.) 5210 hrs. (\$340,421.40) (R.K.) 2084 hrs., (\$69,647.28)	7,294 hrs. \$410,068.68
R5. Each Responsible Entity	50	1	50	(Eng.) 24 hrs., (\$1,568.16) (R.K.) 12 hrs., (\$401.04)	(Eng.) 1200 hrs., (\$78,408) (R.K.) 60 hrs., (\$20,052)	1,800 hrs \$98,460
R6. Each Transmission Owner	216	1	216	(Eng.) 10 hrs., (\$653.40) (R.K.) 4 hrs., (\$133.68)	(Eng.) 2160 hrs., (\$141,134.40) (R.K.) 864 hrs., (\$28,874.88)	3,024 hrs. \$170,009.28
R7. Each Generator Owner	305	1	305	(Eng.) 10 hrs. (\$653.40) (R.K.) 4 hrs. (\$133.68)	(Eng.) 3050 hrs., (\$199,287) (R.K.) 1220 hrs., (\$40,772.40)	4,270 hrs \$240,059.40
R8. Each Transmission Owner and Generator Owner	521	1	521	(Eng.) 10 hrs. (\$653.40) (R.K.) 4 hrs. (\$133.68)	(Eng.) 5210 hrs., (\$340,421.40) (R.K.) 2084 hrs., (\$69,647.28)	7,294 hrs. \$410,068.68

¹¹ The estimates for cost per response are derived using the following formula: Burden Hours per Response * \$/hour = Cost per Response. The \$65.34/hour figure for an engineer and the \$33.42/hour figure for a record clerk are based on the average salary plus benefits data from Bureau of Labor Statistics, http://www.bls.gov/oes/current/naics2_22.htm and <http://www.bls.gov/news.release/eccc.nr0.htm>.

¹² This number for respondents is determined by Responsible Entity notifications made to Transmission Owners by Responsible Entities following steps set out in Requirement R5. By the nature of the steps necessary for compliance with Requirements R1 and R5, the estimated total count for R6 respondents will be a subset of those required to make the examination called for in Requirement R1. This Commission estimates 2/3's of Transmission Owners in Requirement R1 may be respondents for Requirement R6, stemming from this compliance sequence.

FERC-725G2 (OMB Control No. 1902-TBD)
NOPR (issued 4/16/2015) in Docket No. RM15-4 (RIN 1902-AF02)

Requirement and Respondent Category for PRC-002-2	Number of Respondents (1)	Annual Number of Responses (2)	Total Number of Responses (1)*(2)=(3)	Average Burden Hours & Cost per Response (4)	Annual Burden Hours & Annual Cost (3)*(4)	Total Annual Burden Hours Total Annual Cost
R9. Each Transmission Owner and Generator Owner	521	1	521	(Eng.) 10 hrs. (\$653.40) (R.K.) 4 hrs. (\$133.68)	(Eng.) 5210 hrs., (\$340,421.40) (R.K.) 2084 hrs., (\$69,647.28)	7,294 hrs. \$410,068.68
R10. Each Transmission Owner and Generator Owner	521	1	521	(Eng.) 10 hrs. (\$653.40) (R.K.) 4 hrs. (\$133.68)	(Eng.) 5210 hrs., (\$340,421.40) (R.K.) 2084 hrs., (\$69,647.28)	7,294 hrs. 410,068.68
R11. Each Transmission Owner and Generator Owner	521	1	521	(Eng.) 8 hrs. (\$522.72) (R.K.) 4 hrs. (\$133.68)	(Eng.) 4168 hrs., (\$272,337.12) (R.K.) 2084 hrs., (\$69,647.28)	6,252 hrs. \$ 341,984.4
R12. Each Transmission Owner and Generator Owner ¹³	52	1	52	(Eng.) 10 hrs. (\$653.40) (R.K.) 4 hrs. (\$133.68)	(Eng.) 520 hrs., (\$33,976.80) (R.K.) 208 hrs., (\$6,951.36)	728 hrs. \$40,928.16
Total			521¹⁴		(Eng.) 44,924 hrs., (\$ 2,935,334.16) (R.K.) 19,284 hrs., (\$644,471.28)	64,208 hrs. \$3,579,805.44

¹³ The Commission estimates that 10% (or 52) of the 521 registered entities will have to restore recording capability or institute a corrective action plan (CAP) each year.

¹⁴ One response per respondent for each transmission owner and generation owner.

The estimated totals in FERC-725G2 (NOPR in RM15-4-000) are in Table 3 below:

Table 3

FERC-725G2	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	521	0	0	521
Annual Time Burden (Hr.)	64,208	0	0	64,208
Annual Cost Burden (\$)	0	0	0	0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

FERC does not publish any data associated with this collection.

17. DISPLAY OF EXPIRATION DATE

It is not appropriate to display the expiration date for OMB approval of the information collected pursuant to this rulemaking affecting FERC-725G2 because there are no specific instruments used in the collection.

The expiration date is displayed at <http://www.ferc.gov/docs-filing/info-collections.asp>.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

The data collected for this reporting requirement are not used for statistical purposes.