

FERC-725 (OMB Control No. 1902-0225)
Order 779 (Final Rule, Issued 5/16/2013, in Docket RM12-22-000)
RIN: 1902-AE57

Supporting Statement for
**FERC-725, Certification of Electric Reliability Organization;
Procedures for Electric Reliability Standards**

Non-substantive change request as contained in the final rule in Docket RM12-22-000

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve this request for a non-substantive change to the FERC-725 information collection.

Under section 215 of the Federal Power Act, the Federal Energy Regulatory Commission (Commission or FERC) directs the North American Electric Reliability Corporation (NERC), the Commission-certified Electric Reliability Organization (ERO), to submit for approval Reliability Standards that address the impact of geomagnetic disturbances (GMD) on the reliable operation of the Bulk-Power System.

In this final rule¹, the Commission directs NERC to implement the directive in two stages.

- In the first stage, NERC must submit, within six months of the effective date of this final rule, one or more Reliability Standards that require owners and operators of the Bulk-Power System to develop and implement operational procedures to mitigate the effects of GMDs consistent with the reliable operation of the Bulk-Power System.
- In the second stage, NERC must submit, within eighteen months of the effective date of this final rule, one or more Reliability Standards that require owners and operators of the Bulk-Power System to conduct initial and on-going assessments of the potential impact of benchmark GMD events on Bulk-Power System equipment and the Bulk-Power System as a whole. The Second Stage GMD Reliability Standards must

¹ The following documents are posted on ferc.gov (and available in ROCIS and reginfo.gov):

- Order 779 at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13260635>
- Commissioner LaFleur's statement at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13260498>
- News Release at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13260500>.

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identify benchmark GMD events that specify what severity GMD events a responsible entity must assess for potential impacts on the Bulk-Power System. If the assessments identify potential impacts from benchmark GMD events, the Reliability Standards should require owners and operators to develop and implement a plan to prevent instability, uncontrolled separation, or cascading failures of the Bulk-Power System, caused by damage to critical or vulnerable Bulk-Power System equipment, or otherwise. The development of this plan cannot be limited to considering operational procedures or enhanced training alone, but will, subject to the potential impacts of the benchmark GMD events identified in the assessments, contain strategies for protecting against the potential impact of GMDs based on factors such as the age, condition, technical specifications, system configuration, or location of specific equipment. These strategies could, for example, include automatically blocking geomagnetically induced currents from entering the Bulk-Power System, instituting specification requirements for new equipment, inventory management, isolating certain equipment that is not cost effective to retrofit, or a combination thereof.

This final rule imposes requirements only on NERC. The reporting burden and cost related to this final rule are covered by, and already included in, the existing FERC-725 information collection.² FERC-725 includes the ERO's overall responsibility for developing Reliability Standards, such as the Reliability Standards for Geomagnetic Disturbances. For this reason, the Commission is submitting this non-substantive change to OMB for FERC-725 (similar to what was done for the NOPR in RM12-22, under OMB ICR #201211-1902-004).

In general, Commission decisions on proposed Reliability Standards are issued through proposed and final rules. The Commission will submit any substantive additions or modifications to its information collection requirements to the Office of Management and Budget for PRA review as necessary if and when such additions or modifications are considered before the Commission.

²Public comments that were submitted as a result of the NOPR did not raise issues that would affect this submittal under the Paperwork Reduction Act (PRA). Non-PRA comments are addressed in the body of the Final Rule.