

OMB Control Number: 1902-0261 (FERC-725L)  
RM14-12-000, Final Rule  
RIN: 1902-AE91  
(3/9/2015)

Supporting Statement

**FERC-725L, Mandatory Reliability Standards for the Bulk-Power System: MOD  
Reliability Standards**

for the Final Rule in Docket Number RM14-12-000 (issued on 2/19/2015)

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review FERC-725L (Mandatory Reliability Standards for the Bulk-Power System: MOD (Modeling, Data, and Analysis) Reliability Standards). The requirements for this information collection are contained the Commission's regulations at 18 Code of Federal Regulations (CFR) Part 40.

In this Final Rule, the Commission approves the Demand and Energy Data Reliability Standard MOD-031-1 developed by the North American Electric Reliability Corporation (NERC) which the Commission has certified as the Electric Reliability Organization (ERO) responsible for developing and enforcing mandatory Reliability Standards. The Commission submits the changes due to the Final Rule in Docket No. RM14-12-000 under the FERC-725L information collection (OMB Control No. 1902-0261).

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

On August 8, 2005, the Electricity Modernization Act of 2005, which is Title XII, Subtitle A, of the Energy Policy Act of 2005 (EPAct 2005), was enacted into law. EPAct 2005 adds 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, an ERO would enforce the Reliability Standards either subject to Commission oversight or by the Commission independently.

On February 3, 2006, the Commission issued Order No. 672, implementing section 215 of the FPA. Pursuant to Order No. 672, the Commission certified NERC as the ERO. The ERO is required to develop Reliability Standards, which are subject to Commission review and approval. The Reliability Standards apply to users, owners and operators of the Bulk-Power System, as set forth in each Reliability Standard.

Section 215(d)(2) of the FPA and the Commission's regulations provide that the Commission may approve a proposed Reliability Standard if it determines that the proposal is just, reasonable, not unduly discriminatory or preferential, and in the public interest. The Commission specified

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in Order No. 672 certain general factors it would consider when assessing whether a particular Reliability Standard is just and reasonable. According to this guidance, a Reliability Standard must provide for the reliable operation of Bulk-Power System facilities and may impose a requirement on any user, owner or operator of such facilities. It must be designed to achieve a specified reliability goal and must contain a technically sound means to achieve this goal. The Reliability Standard should be clear and unambiguous regarding what is required and who is required to comply.

The Final Rule in RM14-12 approves one Reliability Standard, MOD-031-1. The purpose of this reliability standard is to provide authority for applicable entities to collect demand, energy, and related data to support reliability studies and assessments. Additionally, this reliability standard serves to enumerate the responsibilities and obligations of requestors and respondents of this particular data.

Along with approving reliability standard MOD-031-1, the Commission also approves the associated implementation plan, violation risk factors and violation severity levels, and NERC's retirement of the currently effective Reliability Standards MOD-016-1.1, MOD-017-0.1, MOD-018-0, MOD-019-0.1, and MOD-021-1 (Existing MOD C Standards).

NOTE: The reliability standards scheduled for retirement are currently contained in FERC-725A (OMB Control No. 1902-0244). The burden associated with the standards scheduled for retirement will not be removed from the FERC-725A collection at this time.

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

The new Reliability Standard MOD-031-1 (replacing the retired standards) provides planners and operators access to this actual and forecast demand and energy data as needed to perform adequacy studies. MOD-031-1 improves the existing MOD C Standards by:

- Streamlining the Reliability Standards to clarify data collection requirements;
- Including transmission planners as applicable entities that must report demand and energy data;
- Requiring applicable entities to report weather normalized annual peak hour actual demand data from the previous year to allow meaningful comparison with forecasted values;
- Requiring applicable entities to provide an explanation of how their demand side management forecasts compare to actual demand side management for the prior calendar

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year and how their peak demand forecasts compare to actual demand for the prior calendar year with regard to any relevant weather-related variations.

The Reliability Standard MOD-031-1 contains four requirements. Requirement R1 mandates that each planning coordinator or balancing authority that identifies a need for the collection of demand and energy data develop and issue a data request for such data to the relevant entities in its area. The requirement mandates that the data request identify:

- the entities responsible for providing the data;
- the data to be provided by each entity;
- and the schedule for providing the data.

Requirement R2 obligates the entities identified in a Requirement R1 data request to provide the requested data to their planning coordinator or balancing authority. Requirement R3 requires that the planning coordinator or the balancing authority provide the data collected under Requirement R2 to their Regional Entity (if requested) to facilitate NERC's development of reliability assessments. Requirement R4 requires entities to share their demand and energy data with any applicable entity that demonstrates a reliability need for such data subject to applicable confidentiality, regulatory, or security restrictions.

The MOD-031-1 Reliability Standard, replacing and improving on the existing MOD C standards, continues to provide planners and operators access to complete and accurate demand and energy data to allow the same type of entities to conduct their own resource adequacy analyses to serve peak demand. This Reliability Standard also provides consistent documentation and information sharing practices for demand and energy data while promoting efficient planning practices across industry and supporting identification of necessary system reinforcements. All of this would be hindered if these collections of information were discontinued.

The existing MOD C Standards, which are approved for retirement, require collection of actual and forecast demand data necessary to analyze the resource needs to serve peak demand while maintaining a sufficient margin to address operating events.

### **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 and the medium are not covered in Reliability Standards, and are therefore left to the discretion of each respondent. 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.

**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 MOD-031-1 does not duplicate any filing requirements since the Final Rule also calls for the retirement of existing MOD C Standards. This retirement eliminates any possible duplicative requirements imposed by MOD-031-1.

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

FERC estimates that there are 249<sup>1</sup> small entities<sup>2</sup> applicable to this rule. 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 508<sup>3</sup>.

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

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<sup>1</sup> 44.4% of affected entities

<sup>2</sup> The Small Business Administration sets the threshold for what constitutes a small business. Public utilities may fall under one of several different categories, each with a size threshold based on the company's number of employees, including affiliates, the parent company, and subsidiaries. The possible categories for the applicable entities have a size threshold ranging from 250 employees to 1,000 employees. For the analysis in this rule, we are using the 1,000 employee threshold for each applicable entity type.

<sup>3</sup>

[http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC\\_ROP\\_Effective\\_20140701\\_updated\\_20140602%20\(updated\).pdf](http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC_ROP_Effective_20140701_updated_20140602%20(updated).pdf)

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The Reliability Standard provides consistent documentation and information sharing practices for demand and energy data while promoting efficient planning practices across industry and supporting identification of necessary system reinforcements. As stated earlier, all of this would be hindered if this collection of information were discontinued or conducted less frequently.

**7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION**

There are no special circumstances regarding the MOD-031-1 Reliability Standard or how it affects the FERC-725L information collection.

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

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 proposed collection of data.

The Commission received comments in response to the NOPR. However, none of those comments pertained to the information collection matters related to the NOPR. Even so, a summary of the comments can be found in the Appendix of this supporting statement.

The final rule was published in the Federal Register on 2/24/2015 (80 FR 9596).

**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**

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According to the NERC Rule of Procedure<sup>4</sup>, "...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 MOD-031-1 Reliability Standard to FERC. Rather, they maintain it internally and provide information collected to applicable Regional Entities. Since there are no submissions made to FERC, FERC provides no specific provisions in order to protect confidentiality.

**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.**

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

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

The current burden (before implementation of the Final Rule in RM14-12) for the FERC-725L is 42,703 hours. These burden hours are associated with MOD Reliability Standards as they have been approved by FERC.

This burden was approved by OMB as part of separate Commission Docket Nos. RM13-16 and RD14-5-000. The final rule in Docket No. RM13-16 approved five Reliability Standards: MOD-025-2, MOD-026-1, MOD-027-1, PRC-019-1 and PRC-024-1. Also, the order in Docket No. RD14-5-000 approved MOD-032-1 and MOD-033-1. (The PRC standards are in information collection FERC-725G.) The purpose of the Reliability Standards is to ensure that generators remain in operation during specified voltage and frequency excursions; properly coordinate protective relays and generator voltage regulator controls; and ensure that generator models accurately reflect the generator's capabilities and equipment performance.

NOTE: the average salary stated for engineers in the following tables differs due to a difference in timing on their respective approvals. MOD-025-2, MOD-026-1, MOD-027-1, PRC-019-1 and PRC-024-1 use a \$52/hour cost whereas MOD-032-1 and MOD-033-1 use a \$60/hour cost. The difference in costs is because RM13-16-000 and RD14-5-000 were approved respectively on 5/21/2014 and 10/30/2014. The figures were revised in between both activities.

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<sup>4</sup> Section 1502, Paragraph 2, available at NERCs website.

<b>MOD-025-2 (Verification and Data Reporting of Generator Real and Reactive Power Capability and Synchronous Condenser Reactive Power Capability)</b>					
<b>FERC-725L</b>	<b>Number of Respondents<sup>5</sup> (1)</b>	<b>Number of Responses per Respondent (2)</b>	<b>Average Burden Hours Per Response (3)</b>	<b>Total Annual Burden Hours (1)x(2)x(3)</b>	<b>Total Annual Cost<sup>6</sup></b>
Develop testing procedures, verification process, and process for collection of data	738 GO	1	8	5,904 one-time	\$307,008 one-time (\$52/hr.)
Attachment 2	738 GO	1	6	4,428	\$309,960 (\$70/hr.)
Evidence Retention	738 GO	1	1	738	\$20,664 (\$28/hr.)
<b>TOTAL</b>				11,070	\$637,632

<b>MOD-026-1 (Verification of Models and Data for Generator Excitation Control System or Plant Volt/Var Control Functions)</b>					
<b>FERC-725L</b>	<b>Number of Respondents (1)</b>	<b>Number of Responses per Respondent (2)</b>	<b>Average Burden Hours Per Response (3)</b>	<b>Total Annual Burden Hours (1)x(2)x(3)</b>	<b>Total Annual Cost</b>

5 GO = Generator Owner, TP = Transmission Planner.  
 Assuming 10 generators per generator owner, using EIA-860 2012 generator data (<http://www.eia.gov/electricity/data/eia860/>) total number of units > 20 MW are 7,379, which results in 738 generator owners.

- 6 The estimates for cost per hour are derived as follows:
- \$52/hour, the average of the salary plus benefits for an engineer, from Bureau of Labor and Statistics at [http://bls.gov/oes/current/naics3\\_221000.htm](http://bls.gov/oes/current/naics3_221000.htm)
  - \$70/hour, the average of the salary plus benefits for a manager and an engineer, from Bureau of Labor and Statistics at [http://bls.gov/oes/current/naics3\\_221000.htm](http://bls.gov/oes/current/naics3_221000.htm)
  - \$28/hour, based on a Commission staff study of record retention burden cost.

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Develop testing procedures, verification process, and process for collection of data	356 GO	1	8	2,848 one-time	\$148,096 one-time (\$52/hr)
Instructions for obtaining excitation control system or plant voltage/variance control function model	187 TP	1	8	1,496	\$104,720 (\$70/hr)
Documentation on generator verification	356 GO	1	8	2,848	\$199,360 (\$70/hr)
Evidence Retention	543 GO and TP	1	1	543	\$15,204 (\$28/hr)
<b>TOTAL</b>				7,735	\$467,380

<b>MOD-027-1 (Verification of Models and Data for Turbine/Governor and Load Control or Active Power/Frequency Control Functions)</b>					
<b>FERC-725L</b>	<b>Number of Respondents (1)</b>	<b>Number of Responses per Respondent (2)</b>	<b>Average Burden Hours Per Response (3)</b>	<b>Total Annual Burden Hours (1)x(2)x(3)</b>	<b>Total Annual Cost</b>
Develop testing procedures, verification process, and process for collection of data	356 GO	1	8	2,848 one-time	\$148,096 one-time (\$52/hr)



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Instructions for obtaining turbine/governor and load control or active power/frequency control model	187 TP	1	8	1,496	\$104,720 (\$70/hr)
Documentation on generator verification	356 GO	1	8	2,848	\$199,360 (\$70/hr)
Evidence Retention	543 GO and TP	1	1	543	\$15,204 (\$28/hr)
<b>TOTAL</b>				<b>7,735</b>	<b>\$467,380</b>

<b>MOD-032-1 (Data for Power System Modeling and Analysis)</b>					
<b>FERC-725L</b>	<b>Number of Respondents<sup>7</sup> (1)</b>	<b>Number of Responses per Respondent (2)</b>	<b>Average Burden Hours Per Response (3)</b>	<b>Total Annual Burden Hours (1)x(2)x(3)</b>	<b>Total Annual Cost<sup>8</sup></b>
Develop data requirements and reporting procedures	200 (PA, TP)	1	8	1,600	\$96,000 one-time (\$60/hr)
Data Submittal	1,355 (BA, GO, LSE, PA, RP, TO, TP, TSP)	1	8	10,840	\$650,400 (\$60/hr)

7 PA = Planning Authority, GO = Generator Owner, TP = Transmission Planner, BA = Balancing Authority, LSE = Load Serving Entity, RP = Resource Planner, TSP = Transmission Service Provider, RC = Reliability Coordinator, TOP = Transmission Operator.

8 The estimates for cost per hour (rounded to the nearest dollar) are derived as follows:

- \$60/hour, the average salary plus benefits per engineer (from Bureau of Labor Statistics at [http://bls.gov/oes/current/naics3\\_221000.htm](http://bls.gov/oes/current/naics3_221000.htm))
- \$32/hour, the salary plus benefits for information and record clerks (from Bureau of Labor Statistics at [http://bls.gov/oes/current/naics3\\_221000.htm](http://bls.gov/oes/current/naics3_221000.htm))

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Evidence Retention	1,355 (BA, GO, LSE, PA, RP, TO, TP, TSP)	1	1	1,355	\$43,360 (\$32/hr)
<b>TOTAL</b>				<b>13,795</b>	<b>\$789,760</b>

<b>MOD-033-1 (Steady-State and Dynamics System Model Validation)</b>					
<b>FERC-725L</b>	<b>Number of Respondents (1)</b>	<b>Number of Responses per Respondent (2)</b>	<b>Average Burden Hours Per Response (3)</b>	<b>Total Annual Burden Hours (1)x(2)x(3)</b>	<b>Total Annual Cost</b>
Develop data validation procedures	75 (PA)	1	8	600	\$36,000 one-time (\$60/hr)
Data Submittal	196 (RC, TOP)	1	8	1,568	\$94,080 (\$60/hr)
Evidence Retention	200 (PA, RC, TOP)	1	1	200	\$6,400 (\$32/hr)
<b>TOTAL</b>				<b>2,368</b>	<b>\$136,480</b>

As a result of the Final Rule in RM14-12, there are 28 responses (out of 589) and 6,720 hours (out of 11,208) associated with tasks that are one-time only. That means that they will be complete sometime in 2015. Subsequent to their completion, Commission staff intends to remove these one-time burden hours.

### **13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

There are no non-labor costs currently associated with the FERC-725L.

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**

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The Regional Entities and NERC do most of the data processing, monitoring and compliance work for Reliability Standards; the burden and cost are included under the FERC-725 collection (OMB Control No. 1902-0225) and are not part of this request or package. 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-725L as related to the requirements in the Final Rule in RM14-12-000 follows:

	<b>Number of Employees (FTE)</b>	<b>Estimated Annual Federal Cost</b>
FERC-725L Analysis and Processing of filings <sup>9</sup>	0	\$0
PRA <sup>10</sup> Administrative Cost <sup>11</sup>		\$5,193
<b>FERC Total</b>		\$5,193

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 made in response to the information collection.

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

The burden for the FERC-725L information collection increased<sup>12</sup> due to the Final Rule in RM14-12 and the related:

- The one-time requirement to determine weather-normalized annual peak hour actual demand;
- Continuing development of summary explanations regarding:

<sup>9</sup> Based upon FERC’s 2015 FTE average salary plus benefits (\$149,489)

<sup>10</sup> Paperwork Reduction Act of 1995 (PRA)

<sup>11</sup> The PRA Administrative Cost 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, extend, or discontinue an information collection. This average annual cost includes requests for extensions, all associated rulemakings (not just this rule in Docket No. RM14-12), and other changes to the collection.

<sup>12</sup> This increase is over and above the baseline burden (being retained at this time) of the existing standards included in FERC-725A.

- o how the controllable and dispatchable demand side management forecasts compare to actual demand for the previous calendar year and how the assumptions/methods for future forecasts were adjusted;
- o how peak demand forecast compares to actual demand for the prior calendar year with regard to any relevant weather-related variations and how the assumptions/methods for future forecasts were adjusted.

FERC-725L (changes due to the Final Rule in RM14-12)						
Reliability Standard MOD-031-1	Number and Type of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Avg. Burden & Cost Per Response (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent <sup>13</sup> (5)÷(1)
(One-time) Determine method to weather-normalized annual peak hour actual demand <sup>14</sup> .	28 <sup>15</sup> (DP, LSE, TP and/or BA) <sup>16</sup>	1	28	240 \$14,309	6,720 \$400,646	\$14,309
(On-going) Develop summary in accordance w/ Requirement R1, Subparts 1.5.4 and 1.5.5.	561 (DP, LSE, TP and/or BA)	1	561	8 \$477	4,488 \$267,575	\$477
<b>TOTAL</b>			<b>589</b>		<b>11,208 \$668,221</b>	

FERC-725L	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	5,693	5,104	0	589

13 The estimated hourly costs (salary plus benefits) are based on Bureau of Labor Statistics (BLS) information (available at [http://bls.gov/oes/current/naics3\\_221000.htm#17-0000](http://bls.gov/oes/current/naics3_221000.htm#17-0000)) for an electrical engineer (\$59.62/hour). This is further revised from the hourly costs for an engineer stated earlier in this document (e.g. \$52/hour, \$60/hour)

14 Requirement 1.3.2.1 within the MOD-031-1 Reliability Standard.

15 This value represents the number of entities that have not already determined a method to weather normalize annual peak actual demand data. We estimate approximately 5 percent of the applicable 561 entities fall into this category.

16 DP = distribution provider, LSE = load-serving entity, TP = transmission planner and BA = balancing authority. These are functions the applicable entities perform in conjunction or individually. We estimate the total number of unique entities performing one or more of these functions to be 561.

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Annual Time Burden (Hr)	53,911	42,703	0	11,208
Annual Cost Burden (\$)	0	0	0	0

## **16. TIME SCHEDULE FOR PUBLICATION OF DATA**

FERC does not publish any data associated with these collections.

## **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-725L 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**

There is no stated record retention requirement as part of this collection. Also, the data collected for this reporting requirement are not used for statistical purposes.

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## APPENDIX

Comments on the NOPR were submitted by NERC, Edison Electric Institute (EEI), ISO New England, Inc. (ISO New England), International Transmission Company d/b/a ITC *Transmission*, Michigan Electric Transmission Company, LLC, ITC Midwest LLC, and ITC Great Plains, LLC (collectively, “ITC Companies”), PacifiCorp, and Idaho Power Company (Idaho Power).

None of the comments received pertained to information collection. However, below is a summary of comments and how the Commission responded to the comments in the Final Rule.

### **Summary of Comments:**

NERC, EEI, ISO New England support the Commission’s proposed approval of MOD-031-1, and ITC Companies “does not object” to the standard. NERC and other commenters provide responses to the Commission’s questions regarding the collection of demand and energy data, as discussed below.

NERC, EEI, Idaho Power, and ISO New England confirm the Commission’s understanding that the planning coordinator or balancing authority retains the option to seek the necessary data through a Requirement R1 data request. NERC states that the Reliability Standard provides planning coordinators and balancing authorities the authority to issue data requests to compel applicable entities to provide the demand and energy data necessary to conduct reliability assessments. According to NERC, the Reliability Standard does not require planning coordinators and balancing authorities to issue such data requests if they have alternative means of obtaining or developing that data but planning coordinators and balancing authorities may always use the authority provided by the Reliability Standard as a backstop to ensure they obtain complete and accurate data.

With respect to the issue of whether a planning coordinator or balancing authority that receives data through alternative mechanisms remains obligated to provide such data to a Regional Entity upon request, NERC states that the intent of Requirement R3 was to require all planning coordinators and balancing authorities to provide the necessary demand and energy data to their respective Regional Entities to support the ERO development of seasonal and long-term reliability assessments. NERC commits to modifying the language of Requirement R3 in its standard development process to clarify that planning coordinators and balancing authorities must provide their demand and energy data to their Regional Entity, upon request, whether that data is collected pursuant to the proposed Reliability Standard or through alternative arrangements.

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With regard to the Commission's question about the obligations of a planning coordinator or balancing authority to share data gathered or obtained through alternative mechanisms, EEI comments that there is no obligation to require a planning coordinator or balancing authority to share such data in a similar manner as required by Requirement R3. EEI adds that it is not aware of any reason that might motivate independent system operators (ISOs) or regional transmission organizations (RTOs) (in their role as planning coordinators or balancing authorities) to withhold such information from the Regional Entity. PacifiCorp agrees with EEI on this issue and favors a finding that Requirement R3 should not apply if the planning coordinator or balancing authority receives data through alternative means.

In contrast, Idaho Power and ISO New England assert that a planning coordinator or balancing authority that receives data within the scope of Requirement R1 through alternative mechanisms (as opposed to a data request) remains obligated to provide the data to a Regional Entity upon request pursuant to Requirement R3.

EEI also requests that the Commission clarify potential conflicts between a transmission provider's obligation to provide data under Reliability Standard MOD-031-1 and its confidentiality obligations under the Open Access Transmission Tariff (OATT) or other confidentiality or nondisclosure restrictions. ITC Companies raises a concern with the inclusion of transmission planners as entities from whom the types of data specified may be requested because, according to ITC Companies, many transmission planners have delegated the collection of data to the ISO or RTO in which they are located.

EEI seeks Commission clarification of a "potential conflict" between a transmission provider's obligation to provide data under MOD-031-1 and the transmission provider's confidentiality obligations under an OATT or other confidentiality restrictions. Under MOD-031-1, Requirement R2, an applicable entity must provide data requested by its planning coordinator or balancing authority in accordance with the Requirement R1 data request provision. EEI notes that, under Requirement R4, an entity has 45 days to respond to a written request for data. Further, under Requirement 4.1, if an entity does not provide requested data because, inter alia, "providing the data would conflict with the Applicable Entity's confidentiality, regulatory or security requirements, the Applicable Entity shall, within 30 calendar days of the written request, provide a written response to the requesting entity specifying the data that is not being provided and on what basis." According to EEI, it is unclear "at what point a transmission provider's obligation to 'cooperate' with the other Party in the formation of a confidentiality agreement or protective order ends, and its obligation as an Applicable Entity to disclose the requested information under either Requirements R1 or R4 begins."

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Requirement R1 specifies the planning coordinator or balancing authority shall issue a “data request to applicable entities in its area.” Applicable entities that are subject to providing data pursuant to Requirement R2 are transmission planners, balancing authorities, load-serving entities, and distribution providers. The transmission providers discussed by EEI may, in fact, be registered as one or more of the NERC functional entities that make up the applicable entities list in MOD-031-1. Requirement R4 includes provisions for an applicable entity to follow if a conflict arises. On this basis, the Reliability Standard appears to be clear. However, EEI’s concern that MOD-031-1 is not clear regarding the compliance obligations of an applicable entity when required to provide data to a balancing authority or planning coordinator pursuant to a data request under the standard may have merit. Further, it may be possible in some circumstances, depending on the terms of the confidentiality provision at play, to provide data pursuant to a non-disclosure agreement.

ITC Companies raises a concern with the inclusion of transmission planners as listed entities from whom the types of data specified may be requested because, according to ITC Companies, many transmission planners have delegated the collection of data to the ISO or RTO in which they are located. ITC Companies requests that the Commission recognize that agreements governing the reporting of demand and energy data such as those existing between ITC’s operating subsidiaries and the ISOs/RTOs in which each operates are common, and thus provide that a transmission planner having such an arrangement with an ISO/RTO will be in compliance with data requests it receives under the Requirements R1 and R4.

#### **Commission Response to Comments:**

As noted above, NERC, EEI, and ISO New England support approval of MOD-031-1, and no commenters oppose approval. ITC Companies “does not object” to the standard and “concur[s] with the Commission that MOD-031-1 will meaningfully enhance the ability of transmission planners and operators to conduct resource adequacy analyses and plan for peak load conditions.”

As discussed above, the Commission sought comment in the NOPR on several questions in connection with the collection of demand and energy data. With regard to the responsive comments on the NOPR question regarding the collection of data through mechanisms other than data requests, the Commission accepts the explanation provided by NERC and other commenters that, while a planning coordinator or balancing authority may collect demand and energy forecast data under a tariff or other arrangement, the planning coordinator or balancing authority always retains the option to seek the necessary data through a Requirement R1 data request if, for example, the data are not forthcoming through other means.



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Further, the Commission raised a concern in the NOPR regarding whether a planning coordinator or balancing authority that receives data “through alternative mechanisms” remains obligated to provide such data (i.e., within the scope of Requirement R1) to a Regional Entity upon request, as set forth in Requirement R3. We accept NERC’s explanation that the “intent of Requirement R3 was to require all planning coordinators and balancing authorities to provide the necessary demand and energy data to their respective Regional Entities to support the [ERO]’s development of seasonal and long-term reliability assessments,” although “a strict reading” of Requirement R3 “indicates that it applies only to data collected pursuant to a data request issued under this Reliability Standard.” NERC has the statutory responsibility to conduct periodic assessments of the reliability and adequacy of the Bulk-Power System, and we believe that it is incumbent on users, owners and operators subject to compliance with section 215 of the FPA to provide the necessary data to support such assessments. Accordingly, pursuant to section 215(d) (5) of the FPA and consistent with NERC’s comments, we direct NERC to develop a modification to MOD-031-1 through the standards development process to clarify that planning coordinators and balancing authorities must provide demand and energy data upon request of a Regional Entity, as necessary to support NERC’s development of seasonal and long-term reliability assessments.

Rather than attempting to provide the clarification requested by EEI (as noted above), the Commission directs NERC to consider EEI’s concern regarding the compliance obligations of an applicable entity upon receipt of a data request that seeks confidential information in the standard development process when it addresses the directive to clarify that planning coordinators and balancing authorities must provide demand and energy data upon request of a Regional Entity.

. As noted above, ITC Companies raised concern over the inclusion of transmission planners as listed entities from whom the types of data specified may be requested. While the language of particular agreements is beyond the scope of the immediate proceeding, we agree with ITC Companies that Requirement R1 provides the flexibility to collect energy data through alternative mechanisms.