

Supporting Statement for
**FERC-725I, Mandatory Reliability Standards for the Northeast Power Coordinating
Council**

for the Order in Docket Number RD16-8-000 (issued on 8/16/2016)

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve **FERC-725I (Mandatory Reliability Standards for the Northeast Power Coordinating Council)** (OMB Control No. 1902-0258), for a three-year period. FERC-725I is an existing data collection with reporting requirement in 18 Code of Federal Regulations (CFR) Part 40.

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

In the Energy Policy Act of 2005 (EPA 2005), Congress entrusted the Commission with a major new responsibility to oversee mandatory, enforceable Reliability Standards for the Nation's Bulk-Power System (excluding Alaska and Hawaii). This authority is in Section 215 of the Federal Power Act (FPA)¹. Section 215 requires the Commission to select an Electric Reliability Organization (ERO) that is responsible for proposing, for Commission review and approval, Reliability Standards or modifications to existing Reliability Standards to help protect and improve the reliability of the Nation's Bulk-Power System. The Commission has certified the North American Electric Reliability Corporation (NERC) as the ERO. The Reliability Standards apply to the users, owners and operators of the Bulk-Power System and become mandatory and enforceable in the United States only after Commission approval. The ERO also is authorized to impose, after notice and opportunity for a hearing, penalties for violations of the Reliability Standards, subject to Commission review and approval. The ERO may delegate certain responsibilities to Regional Entities, subject to Commission approval.

The Commission may approve proposed Reliability Standards or modifications to previously approved standards if it finds them "just, reasonable, not unduly discriminatory or preferential, and in the public interest." The Commission itself does not have authority to modify proposed standards. Rather, if the Commission disapproves of a proposed standard or modification, Section 215 requires the Commission to remand it to the ERO for further consideration. The Commission, upon its own motion or upon complaint, may direct the ERO to submit a proposed standard or modification on a specific matter but it does not have the authority to modify or author a standard and must depend upon the ERO to do so.

Reliability Standards that the ERO proposes to the Commission may include Reliability Standards that are developed by a Regional Entity. On April 19, 2007, the Commission approved delegation agreements between NERC and eight Regional Entities, including NPCC. In the Delegation Agreement Order, the Commission accepted NPCC as a Regional Entity and accepted NPCC's Standards Development Manual, which sets forth the process for NPCC's development of regional Reliability Standards. The NPCC region is a less than interconnection-wide region, and its standards apply only to that part of the Eastern Interconnection within the NPCC geographical footprint.

¹ 16 U.S.C. § 824o (2012).

In Order No. 672, the Commission urged uniformity of Reliability Standards, but recognized a potential need for regional differences. Accordingly, the Commission stated that:
As a general matter, we will accept the following two types of regional differences, provided they are otherwise just, reasonable, not unduly discriminatory or preferential and in the public interest, as required under the statute: (1) a regional difference that is more stringent than the continent-wide Reliability Standard, including a regional difference that addresses matters that the continent-wide Reliability Standard does not; and (2) a regional Reliability Standard that is necessitated by a physical difference in the Bulk-Power System.

On March 16, 2007, the Commission issued Order No. 693, approving 83 of the 107 Reliability Standards filed by the ERO. In that order, the Commission determined that it would not take action on certain proposed Reliability Standards that required supplemental information from regional reliability organizations. Such Reliability Standards refer to regional criteria or procedures that had not been submitted to the Commission for approval and, as such, are referred to as “fill-in-the-blank” standards.

The Reliability Standard PRC-002-1 (Define Regional Disturbance Monitoring and Reporting) was one such fill-in-the-blank standard and, therefore, was not enforceable. NERC’s continent-wide, fill-in-the-blank standard PRC-002-1 would require regional reliability organizations to establish: (i) installation requirements for sequence of event recording, fault recording, and dynamic disturbance recording, and (ii) reporting requirements for recorded disturbance data. Because PRC-002-1 was an unenforceable and unapproved fill-in-the-blank standard, NPCC’s proposed regional Reliability Standard PRC-002-NPCC-01 was intended to fill the reliability gap related to disturbance monitoring and reporting by establishing enforceable disturbance monitoring and reporting requirements for the NPCC region.

The Regional Reliability standard, PRC-006-NPCC-1 (Automatic Underfrequency Load Shedding²) will provide regional requirements for Automatic Underfrequency Load Shedding to applicable entities in NPCC. UFLS requirements have been in place at a continent-wide level and within NPCC for many years prior to the implementation of federally mandated reliability standards in 2007. NPCC and its members believe that a region-wide, fully coordinated single set of UFLS requirements is necessary to create an effective and efficient UFLS program, and their experience has supported that belief.

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

On June 9, 2016, the NERC and the NPCC filed a petition for Commission approval, pursuant to Section 215(d)(1) of the FPA and Section 39.5³ of the FERC’s regulations, of the retirement of NPCC Regional Reliability Standard PRC-002-NPCC-01 (Disturbance Monitoring) and the two related NPCC regional definitions, Current Zero Time and Generating Plant.

On August 16, 2016, FERC issued a letter order approving the joint petition filed by NERC and

² UFLS = Underfrequency Load Shedding
³ 18 CFR 39.5.

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NPCC for the retirement of PRC-002-NPCC-01 Reliability Standard.

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

The retired PRC-002-NPCC-01 Reliability Standard does not require information to be filed with the Commission.

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. Reliability Standards are developed by a collaborative process which requires industry participation.

The Commission is unaware of any other source of information similar to the retired requirements.

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

The PRC-002-NPCC-01 Reliability Standard does not contain provisions for minimizing the burden of the collection for small entities. All the requirements in the Reliability Standard apply to every applicable entity. However, 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 is available in NERC's Rules of Procedure at sections 507 and 508.⁴

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

The PRC-002-NPCC-01 Reliability Standard and two NPCC definitions are being retired. The NPCC Regional Reliability Standard requirements are addressed in the continent-wide Reliability Standard and can be retired with no adverse effect on reliability⁵.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION

⁴ Available at http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC_ROP_Effective_20160701.pdf

⁵ Joint Petition of NERC and the NPCC filed with FERC on 6/9/2016
(<http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14272971>)

There are no special circumstances.

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

In accordance with OMB requirements, the Commission published a 60-day notice⁶ and a 30-day notice⁷ to the public regarding this information collection on 8/16/2016 and 10/26/2016, respectively. Within the public notice, the Commission noted that it would be requesting a three-year extension of the public reporting burden with no change to the existing requirements concerning the collection of data. The Commission received no comments.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents of this collection.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

According to the NERC Rule of Procedure 1502, "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 Standards 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 review.

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 include any questions of a sensitive nature.

12. ESTIMATED BURDEN COLLECTION OF INFORMATION

The following table contains the total reductions to FERC-725I information collection due to the retirement of the PRC-002-NPCC-01 Reliability Standard:

681 FR 54571
781 FR 74419

Reductions to the FERC-725I information collection due to the retirement of PRC-002-NPCC-01 Reliability Standard					
Information Collection Requirements	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden Hours (4)	Total Annual Burden Hours (3)*(4)=(5)
R13: GO ⁸ and TO to have evidence it acquired and installed dynamic disturbance recorders and a mutually agreed upon implementation schedule with the RC (record retention)	1	1	1	10 hrs.	10 hrs.
R14.5: GO and TO to have evidence of a maintenance and testing program for stand-alone disturbance monitoring equipment including monthly verification of active analog quantities	169	12	2028	5 hrs.	10,140 hrs.
R14.7: GO and TO to record efforts to return failed units to service if it takes longer than 90 days ⁹	33	1	33	10 hrs.	330 hrs.
R14.7: GO and TO record retention	33	1	33	10 hrs.	330 hrs.
R17: RC provide certain disturbance monitoring equipment data to the Regional Entity upon request	5	1	5	5 hrs.	25 hrs.
R17: RC record retention	5	1	5	10 hrs.	50 hrs.
TOTAL REDUCTIONS			2,105		10,885 hrs.

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no non-labor start-up costs. All costs are related to burden hours and are addressed in Questions #12 and #15.

⁸ For purposes of these charts, generation owner is abbreviated to GO, transmission owner is abbreviated to TO, reliability coordinator is abbreviated to RC, and planning coordinator is abbreviated to PC.

⁹ This requirement (within regional Reliability Standard PRC-002-NPCC-01) will no longer be required of GOs and TOs. However, this requirement will be required under the Reliability Standard PRC-002-2 (a nationwide standard).

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of Filings ¹⁰	0	\$0
PRA ¹¹ Administrative Cost ¹²		\$5,481
FERC Total		\$0

The Commission bases its estimate of the “Analysis and Processing of Filings” cost to the Federal Government on salaries and benefits for professional and clerical support. This estimated cost represents staff analysis, decision-making, and review of any actual filings submitted in response to the information collection.

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

NERC and NPCC have stated that the issues addressed in the Regional Reliability Standard are now addressed by continent-wide Reliability Standard PRC-002-2 (Disturbance Monitoring and Reporting Requirements) that were approved by the Commission in 2015. Reliability Standard PRC-002-2 imposes mandatory requirements concerning the monitoring and reporting of disturbances and provides greater continent-wide consistency regarding collection methods for data used in the analysis of disturbances on the Bulk-Power System. According to NERC and NPCC, Regional Reliability Standard PRC-002-NPCC-01 and the related definitions are now redundant and unnecessary for reliability and should be retired.

FERC approves NERC’s retirement of the PRC-002-NPCC-01 Reliability Standard and two NPCC regional definitions (Current Zero Time and Generating Plant).¹³ The change in estimated burden here is due entirely to that Reliability Standard’s (and the related definitions)

¹⁰ Based upon 2016 FTE average annual salary plus benefits (\$154,647).

¹¹ Paperwork Reduction Act of 1995 (PRA).

¹² 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, and other changes to the collection.

¹³ Order at <https://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14330811> (and in ROCIS Supp. Docs.) dated 8/16/16 approved the retirements & said in part

“NERC and NPCC explain that the issues addressed in the Regional Reliability Standard are now addressed by continent-wide Reliability Standard PRC-002-2 (Disturbance Monitoring and Reporting Requirements), approved by the Commission in 2015. Reliability Standard PRC-002-2 imposes mandatory requirements concerning the monitoring and reporting of disturbances and provides greater continent-wide consistency regarding collection methods for data used in the analysis of disturbances on the Bulk-Power System. According to NERC and NPCC, Regional Reliability Standard PRC-002-NPCC-01 and the related definitions are now redundant and unnecessary for reliability and should be retired.

The NERC and NPCC uncontested joint petition is hereby approved pursuant to the relevant authority delegated to the Director, [FERC’s] Office of Electric Reliability under 18 C.F.R. § 375.303 (2015), effective as of the date of this order.”

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retirement and removal.

The following table shows the annual total burden of the collection of information. The format, labels, and definitions of the table follow the ROCIS submission system's "Information Collection Request Summary of Burden" for the metadata.

FERC-725I	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	302	2,407	0	-2,105
Annual Time Burden (Hours)	3,044	13,929	0	-10,885
Annual Cost Burden (\$)	\$0	\$0	\$0	-\$750,000

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no tabulating, statistical or tabulating analysis or publication plans for the collection of information. The data are used for regulatory purposes only.

17. DISPLAY OF EXPIRATION DATE

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

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.