

Supporting Statement for  
**FERC-725S, Mandatory Reliability Standards: Emergency Preparedness  
and Operations (EOP) Reliability Standards,  
as modified by the NOPR in RM17-12**

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review the information collection requirements in the Notice of Proposed Rulemaking (NOPR) under Docket RM17-12-000 under OMB Control No. 1902-0270 (FERC-725S). This supporting statement covers the requirements of the FERC-725S information collection as modified by the NOPR in RM17-12. The reporting requirements in the FERC-725S are contained in FERC's regulations in 18 Code of Federal Regulations (CFR) Part 40.

**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. 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, which are subject to Commission review and approval. Once approved, the Reliability Standards may be enforced by the ERO, subject to Commission oversight. In 2006, the Commission certified the North American Electric Reliability Corporation (NERC) as the ERO pursuant to FPA section 215.<sup>1</sup>

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

The NOPR in Docket No. RM17-12-000 proposes to approve the following changes to Reliability Standards EOP-004-4 (Event Reporting), EOP-005-3 (System Restoration from Blackstart Resources), EOP-006-3 (System Restoration), and EOP-008-2 (Loss of Control Center Functionality).

The proposed EOP Reliability Standards are intended to:

- provide accurate reporting of events to NERC's event analysis group to analyze the impact on the reliability of the bulk electric system (EOP-004-4);

---

<sup>1</sup> *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh'g & compliance*, 117 FERC ¶ 61,126 (2006), *aff'd sub nom. Alcoa, Inc. v. FERC*, 564 F.3d 1342 (D.C. Cir. 2009).

- delineate the roles and responsibilities of entities that support system restoration from blackstart resources which generate power without the support of the grid (EOP-005-3);
- clarify the procedures and coordination requirements for reliability coordinator personnel to execute system restoration processes (EOP-006-3); and
- refine the required elements of an operating plan used to continue reliable operations of the bulk electric system if that primary control functionality is lost (EOP-008-2).  
The Commission also proposes to approve the associated violation risk factors, violation severity levels, implementation plans, and effective dates.

In addition, the Commission proposes to retire currently-effective Reliability Standards EOP-004-3, EOP-005-2, EOP-006-2, and EOP-008-1 immediately prior to the effective dates of the proposed EOP Reliability Standards

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

These collections do not require industry to file the information with the Commission. However, they do contain information collection and record retention requirements for which using current technology is an option.

### **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 Standards EOP-004-4, EOP-005-3, EOP-006-3, and EOP-008-2 do not duplicate any filing requirements (other than those being proposed for replacement as described in this NOPR).

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

FERC considers the impact of the rule to be 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>2</sup>.

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

If industry performed the requirements of these standards less frequently, NERC would not have access to any information to allow assessment of the compliance with the requirements of each of these standards, thereby nullifying the purpose of the standard. Adequate planning for operating emergencies and responding to those emergencies is critical for the reliable operation of the bulk power system. Proposed Reliability Standard EOP-004-4 requires reporting of events by responsible entities. The reportable events under the proposed Reliability Standard are collected and used to examine the underlying causes of events, track subsequent corrective action to prevent recurrence of such events, and develop lessons learned for industry. Proposed Reliability Standard EOP-005-3 ensures plans, facilities, and personnel are prepared to enable system restoration from blackstart resources to ensure reliability is maintained during restoration and priority is placed on restoring the Interconnection. Proposed Reliability Standard EOP-006-3 establishes how personnel should prepare, execute, and coordinate system restoration processes to maintain reliability and to restore the Interconnection. Proposed Reliability Standard EOP-008-2 ensures continued reliable operations of the bulk electric system if a control center becomes inoperable.

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

There are no special circumstances related to the FERC-725S information collection as it is affected by the RM17-12-000 NOPR.

## **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.<sup>3</sup> The NERC-approved Reliability Standards were then submitted by NERC to the FERC for review and approval.

---

<sup>2</sup> [http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC\\_ROP\\_Effective\\_20161031.pdf](http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC_ROP_Effective_20161031.pdf)

<sup>3</sup> Details of the ERO standards development process are available on the NERC website at [http://www.nerc.com/pa/Stand/Documents/Appendix\\_3A\\_StandardsProcessesManual.pdf](http://www.nerc.com/pa/Stand/Documents/Appendix_3A_StandardsProcessesManual.pdf).

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 collections of data. The NOPR was published in the Federal Register<sup>4</sup> on 9/26/2017.

## **9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS**

There are no gifts or payments given to the respondents.

## **10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS**

According to the NERC Rules of Procedure<sup>5</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 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.

## **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 OF COLLECTION OF INFORMATION**

The estimated public reporting burden due to this NOPR in Docket RM17-12-000:

**RM17-12-000 (Emergency Preparedness and Operations Reliability Standards)**

---

<sup>4</sup> 82 FR 44746

<sup>5</sup> Section 1502, Paragraph 2, available at NERCs website.

	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response <sup>6</sup> (4)	Total Annual Burden & Total Annual Cost <sup>7</sup> (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
<b>EOP-008-2</b>						
One-time Review and Revision of Plan	215	1	215	20 hrs. (Eng.); \$1,286	4,300 hrs. (Eng.); \$276,447	\$1,286 (Eng.)
Updating, Approving, and Maintaining Records	215	1	215	6 hrs. (Eng.); \$386 2 hrs. (R.K.); \$76	1,290 hrs. (Eng.); \$82,934 430 hrs. (R.K.); \$16,233	\$386 (Eng.); \$76 (R.K.)
One-time Contracting	27	1	27	120 hrs. (Eng.) \$7,715	3,240 hrs. (Eng.) \$208,300	\$7,715 (Eng.)
<b>EOP-005-3 &amp; EOP-006-3</b>						
RC Data Retention	26	2	52	8 hrs. (R.K.) \$514	416 hrs. (R.K.); \$26,745	\$514 (R.K.)
TOP Reporting Data	176	1	176	116 hrs. (Eng.); \$7,458 16 hrs. (R.K.); \$604	20,416 hrs. (Eng.); \$1,312,545 2,816 hrs. (R.K.); \$106,304	\$7,458 (Eng.); \$604 (R.K.)
GOP Testing	230	1	230	80 hrs. (Eng.); \$5,143	18,400 hrs. (Eng.); \$1,182,936	\$5,143 (Eng.)
TO and DP Training	678	1	678	8 hrs. (Eng.); \$514	5,424 hrs. (Eng.); \$348,709	\$514 (Eng.)
<b>EOP-004-4</b>						
One-Time Review and Revision of Plan	1,400	1	1,400	2 hrs. (Eng.); \$129	2,800 hrs. (Eng.) \$180,012	\$129
Reporting Events	350	1	350	0.17 hrs. (Eng.); \$11	59.5 hrs. (Eng.); \$3,825	\$11

6 Eng.: engineering; R.K.: record-keeping.

7 The estimates for cost per hour are based on 2015 wage figures and derived as follows:

- \$64.29/hour, the average salary plus benefits per engineer (from Bureau of Labor Statistics at [https://www.bls.gov/oes/current/naics2\\_22.htm](https://www.bls.gov/oes/current/naics2_22.htm));
- \$37.75/hour, the average salary plus benefits per information and record clerks (from Bureau of Labor Statistics at [https://www.bls.gov/oes/current/naics2\\_22.htm](https://www.bls.gov/oes/current/naics2_22.htm))

The results of calculations are rounded to the nearest dollar within the burden table.

<b>TOTAL</b>		3,343		55,929.5 (Eng.) 3,662 (R.K.) \$3,595,708 (Eng.) \$149,282 (R.K.)	
--------------	--	-------	--	--	--

Commission staff is submitting a total annual burden of 59,542 hours to FERC-725S (due to the RM17-12 NOPR). However, 49,202 hours of that burden will be duplicated here (in FERC-725S) and in FERC-725A (OMB Control No. 1902-0244). This is due to FERC-725A being currently under OMB review<sup>8</sup> and unavailable to have this hourly burden removed. Commission staff will remove the burden at a later time when FERC-725A is available.

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

There are no start-up or other non-labor costs.

Total Capital and Start-up cost: \$0

Total Operation, Maintenance, and Purchase of Services: \$0

All of the costs in the NOPR are associated with burden hours (labor) and described in Questions #12 and #15 in this supporting statement.

**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-725S (as related to the requirements in the NOPR in RM17-12-000 follows:

<b>FERC-725S</b>	<b>Number of Employees (FTEs)</b>	<b>Estimated Annual Federal Cost</b>
FERC-725S Analysis and Processing of filings	0	\$0
Paperwork Reduction Act Administrative Cost <sup>9</sup>		\$5,723

<sup>8</sup> OMB is currently reviewing the unrelated Final Rule in RM16-13-000 (ICR Reference No. 201709-1902-003) which is occupying the FERC-725A information collection. Only one item per OMB Control No. can be pending OMB review at a time.

TOTAL		\$5,723
-------	--	---------

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

The increase in burden hours associated with the revisions to the Reliability Standard account for changing and updating of existing plan/procedures entities use to demonstrate meeting the requirements of the revised standards.

The total annual burden hours requested in 59,592 hours. However, 49,202 hours of that burden will be duplicated in relation to previously active Reliability Standards. Those previous Reliability Standards (and their related burden) are currently contained in the FERC-725A information collection (OMB Control No. 1902-0244). However, FERC-725A is already under review by OMB<sup>8</sup> and, thus, is not available to have this burden removed. Commission staff will remove the hourly burden associated with the previous standards when FERC-725A is available.

FERC-725S	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	3,553	210	0	3,343
Annual Time Burden (Hr.)	80,072	20,480	0	59,592
Annual Cost Burden (\$)	\$0	\$0	\$0	\$0

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

There are no tabulating, statistical or tabulating analysis or publication plans for the collection of information.

**17. DISPLAY OF EXPIRATION DATE**

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

<sup>9</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 NOPR or Final Rule), and other changes to the collection.

FERC-725S (OMB Control No.: 1902-0270),  
NOPR in Docket No. RM17-12-000  
RIN: 1902-AF42

## **18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

The Commission does not use the data collected for this reporting requirement for statistical purposes.