

Supporting Statement
FERC-725Y, Mandatory Reliability Standard PER-005-2 (Operations Personnel Training)

(Three-year approval for extension requested)

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review and approve FERC-725Y (Operations Personnel Training) for a three year period. FERC-725Y (OMB Control No. 1902-0279) is an existing Commission data collection provided for in 18 Code of Federal Regulations (CFR) Part 40. The requirements contained in this data collection are not changing.

The scope of the Reliability Standard PER-005 has been expanded (from the retired PER-005-1 Reliability Standard¹ to the current PER-005-2 Reliability Standard) to include training requirements for:

- local transmission control center operator personnel;
- operations support personnel who perform current day or next day outage coordination or assessments, or who determine SOLs or IROLs or operating nomograms in support of real-time operations; and
- certain generator dispatch personnel at centrally located dispatch centers

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.² EPAAct 2005 added section 215 to the Federal Power Act (FPA), which requires a Commission-certified Electric Reliability Organization (ERO) to develop mandatory and enforceable Reliability Standards, 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 215.³

On March 16, 2007 (pursuant to section 215(d) of the FPA), the Commission issued Order No. 693, approving 83 of the 107 initial Reliability Standards filed by NERC,

¹ Inactive as of 6/30/2016.

² The Energy Policy Act of 2005, Pub. L. No 109-58, Title XII, Subtitle A, 119 Stat. 594, 941 (2005), codified at 16 U.S.C. 824o (2006).

³ *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).

including four PER⁴ Reliability Standards governing certain areas of personnel staffing and training. In addition, under section 215(d)(5) of the FPA, the Commission directed NERC to develop several modifications to the approved PER standards.

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On March 7, 2014, NERC filed a Petition seeking approval of proposed PER-005-2, explaining that the purpose of the revisions is to “improve upon PER-005-1 by expanding the scope of the Reliability Standard” consistent with the Commission’s directives in Order Nos. 693 and 742.

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

The information collected in the FERC-725Y, PER-005-2, Operations, Personnel and Training group of Reliability Standards is intended to help ensure the safe and reliable operation of the interconnected grid through the retention of suitably trained and qualified personnel in positions that can impact the reliable operation of the Bulk-Power System.

The information collection (data reported and retained) as required by Reliability Standard PER-005-2 is not submitted to FERC. Rather, it is retained for access by NERC, the Regional Entity, or FERC in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

Reliability Standard PER-005-2 applies to:⁵

- Transmission Owners (TO) that have personnel, excluding field switching personnel, who can act independently to operate or direct the operation of the Transmission Owner’s Bulk Electric System transmission Facilities in Real-time
- Generator Operator (GOP) that have Dispatch personnel at a centrally located dispatch center who receive direction from the Generator Operator’s Reliability Coordinator, Balancing Authority, Transmission Operator, or Transmission Owner, and may develop specific dispatch instructions for plant operators under their control. These personnel do not include plant operators located at a generator plant site or personnel at a centrally located dispatch center who relay dispatch instructions without making any modifications.

⁴ PER generally stands for Personnel Performance, Training, and Qualifications when used as a prefix on reliability standards.

⁵ TO=Transmission Owner; GOP=Generator Operator.

The Reliability Standard requires entities to maintain records subject to review by the Commission and NERC to ensure compliance with the Reliability Standard. Reliability Standards listed are in both FERC-725A and FERC-725Y (Transmission Owners and Generator Owners). This supporting statement is providing burden for FERC-725Y only. This Reliability Standard contains six Requirements:

- R1 requires reliability coordinators, balancing authorities, and transmission operators to develop and implement a training program for system operators
- R2 requires transmission owners to develop and implement a training program for system operators
- R3 requires reliability coordinators, balancing authorities, transmission operators and transmission owners to verify the capabilities of their identified personnel
- R4 requires reliability coordinators, balancing authorities, transmission operators and transmission owners to provide those personnel with emergency operations training using simulation technology
- R5 requires reliability coordinators, balancing authorities, and transmission operators to develop and implement training for their operations support personnel
- R6 requires applicable generator operators to develop and implement training for certain of their dispatch personnel at a centrally located dispatch center.
- M1. These Reliability Standards are listed in FERC-725A and FERC-725Y. Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall have available for inspection evidence of using a systematic approach to develop and implement a training program for its System Operators, as specified in Requirement R1. This supporting statement will address TO and GOP for FERC-725Y.
 - o M1.1 Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall have available for inspection its methodology and its BES company- specific Real-time reliability-related task list, with the date of the last review, as specified in Requirement R1 part 1.1 and part 1.1.1.
 - o M1.2 Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall have available for inspection training materials, as specified in Requirement R1 part 1.2.
 - o M1.3 Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall have available for inspection System Operator training records showing the names of the people trained, the title of the training delivered, and

the dates of delivery to show that it delivered the training, as specified in Requirement R1 part 1.3.

- o M1.4 Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall have available for inspection evidence (such as instructor observations, trainee feedback, supervisor feedback, course evaluations, learning assessments, or internal audit results) that it performed an evaluation of its training program each calendar year, as specified in Requirement R1 part 1.4.
- R2. [FERC-725Y] Each Transmission Owner shall use a systematic approach to develop and implement a training program for its personnel identified in Applicability Section 4.1.4.1 of this standard as follows:
 - o Each Transmission Owner shall create a list of BES company-specific Real-time reliability-related tasks based on a defined and documented methodology.
 - o Each Transmission Owner shall review, and update if necessary, its list of BES company-specific Real-time reliability-related tasks identified in part 2.1 each calendar year.
 - o 2.2. Each Transmission Owner shall design and develop training materials according to its training program, based on the BES company-specific Real-time reliability- related task list created in part 2.1.
 - o 2.3. Each Transmission Owner shall deliver training to its personnel identified in Applicability Section 4.1.4.1 of this standard according to its training program.
 - o 2.4. Each Transmission Owner shall conduct an evaluation each calendar year of the training program established in Requirement R2 to identify any needed changes to the training program and shall implement the changes identified.
- M2. [FERC-725Y] Each Transmission Owner shall have available for inspection evidence of using a systematic approach to develop and implement a training program for its applicable personnel, as specified in Requirement R2.
 - o M2.1 Each Transmission Owner shall have available for inspection its methodology and its BES company-specific Real-time reliability-related task list, with the date of the last review, as specified in Requirement R2 part 2.1.

- o M2.2 Each Transmission Owner shall have available for inspection training materials, as specified in Requirement R2 part 2.2.
- o M2.3 Each Transmission Owner shall have available for inspection training records showing the names of the people trained, the title of the training delivered, and the dates of delivery to show that it delivered the training, as specified in Requirement R2 part 2.3.
- o M2.4 Each Transmission Owner shall have available for inspection evidence (such as instructor observations, trainee feedback, supervisor feedback, course evaluations, learning assessments, or internal audit results) that it performed an evaluation of its training program each calendar year, as specified in Requirement R2 part 2.4.
- R3. [FERC-725Y for TO] Each Reliability Coordinator, Balancing Authority, Transmission Operator, and Transmission Owner shall verify, at least once, the capabilities of its personnel, identified in Requirement R1 or Requirement R2, assigned to perform each of the BES company-specific Real-time reliability-related tasks identified under Requirement R1 part 1.1 or Requirement R2 part 2.1.
 - o 3.1. Within six months of a modification or addition of a BES company-specific Real-time reliability-related task, each Reliability Coordinator, Balancing Authority, Transmission Operator, and Transmission Owner shall verify the capabilities of each of its personnel identified in Requirement R1 or Requirement R2 to perform the new or modified BES company-specific Real-time reliability-related tasks identified in Requirement R1 part 1.1 or Requirement R2 part 2.1.
- M3. [FERC-725Y for TO] Each Reliability Coordinator, Balancing Authority, Transmission Operator, and Transmission Owner shall have available for inspection evidence to show that it verified the capabilities of each of its personnel, identified in Requirement R1 or Requirement R2, assigned to perform each of the BES company-specific Real-time reliability-related tasks identified under Requirement R1 part 1.1 or Requirement R2 part 2.1. This evidence may be documents such as records showing capability to perform BES company-specific Real-time reliability-related tasks with the employee name and date; supervisor check sheets showing the employee name, date, and BES company-specific Real-time reliability-related task completed; or the results of learning assessments.
 - o M3.1 Each Reliability Coordinator, Balancing Authority, Transmission Operator, or Transmission Owner shall present evidence that it verified the capabilities of applicable personnel to perform new or modified BES company-

specific Real- time reliability-related tasks within 6 months of a modification or addition of a BES company-specific Real-time reliability-related task.

- R4. [FERC-725Y for TO] Each Reliability Coordinator, Balancing Authority, Transmission Operator, and Transmission Owner that (1) has operational authority or control over Facilities with established Interconnection Reliability Operating Limits (IROLs), or (2) has established protection systems or operating guides to mitigate IROL violations, shall provide its personnel identified in Requirement R1 or Requirement R2 with emergency operations training using simulation technology such as a simulator, virtual technology, or other technology that replicates the operational behavior of the BES.
 - 4.1. A Reliability Coordinator, Balancing Authority, Transmission Operator, or Transmission Owner that did not previously meet the criteria of Requirement R4, shall comply with Requirement R4 within 12 months of meeting the criteria.
- M4. [FERC-725Y for TO] Each Reliability Coordinator, Balancing Authority, Transmission Operator, and Transmission Owner shall have available for inspection training records that provide evidence that personnel identified in Requirement R1 or Requirement R2 completed training that includes the use of simulation technology, as specified in Requirement R4.
 - M4.1 Each Reliability Coordinator, Balancing Authority, Transmission Operator, and Transmission Owner shall have available for inspection training records that provide evidence that personnel identified in Requirement R1 or Requirement R2 completed training that included the use of simulation technology, as specified in Requirement R4, within 12 months of meeting the criteria of Requirement R4.
- R5. [FERC-725Y] Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall use a systematic approach to develop and implement training for its identified Operations Support Personnel on how their job function(s) impact those BES company-specific Real-time reliability-related tasks identified by the entity pursuant to Requirement R1 part 1.1.
 - 5.1 Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall conduct an evaluation each calendar year of the training established in Requirement R5 to identify and implement changes to the training.
- M5. [FERC-725Y] Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall have available for inspection evidence that Operations

Support Personnel completed training in accordance with its systematic approach. This evidence may be documents such as training records showing successful completion of training. Documentation of training shall include employee name and date of training.

- o M5.1 Each Reliability Coordinator, Balancing Authority, and Transmission Operator shall have available for inspection evidence (such as instructor observations, trainee feedback, supervisor feedback, course evaluations, learning assessments, or internal audit results) that it performed an evaluation each calendar year, as specified in Requirement R5 part 5.1.
- R6. [FERC-725Y] Each Generator Operator shall use a systematic approach to develop and implement training to its personnel identified in Applicability Section 4.1.5.1 of this standard, on how their job function(s) impact the reliable operations of the BES during normal and emergency operations.
 - o 6.1. Each Generator Operator shall conduct an evaluation each calendar year of the training established in Requirement R6 to identify and implement changes to the training.
- M6. [FERC-725Y] Each Generator Operator shall have available for inspection evidence that its applicable personnel completed training in accordance with its systematic approach. This evidence may be documents such as training records showing successful completion of training. Documentation of training shall include employee name and date of training.
 - o M6.1 Each Generator Operator shall have available for inspection evidence (such as instructor observations, trainee feedback, supervisor feedback, course evaluations, learning assessments, or internal audit results) that it performed an evaluation each calendar year, as specified in Requirement R6 part 6.1.

C. Compliance

1. Compliance Monitoring Process

1.1. Compliance Enforcement Authority

As defined in the NERC Rules of Procedure, “Compliance Enforcement Authority” means NERC or the Regional Entity in their respective roles of monitoring and enforcing compliance with the NERC Reliability Standards.

1.2. Evidence Retention [FERC-725Y for GOP and TO, and new records for RC, BA, and TOP; FERC-725A for old records for RC, BA, and TOP]

The following evidence retention periods identify the period of time an entity is required to retain specific evidence to demonstrate compliance. For instances where the evidence retention period specified below is shorter than the time since the last audit, the compliance enforcement authority may ask an entity to provide other evidence to show that it was compliant for the full-time period since the last audit.

Each Reliability Coordinator, Balancing Authority, Transmission Operator, Transmission Owner, and Generator Operator shall keep data or evidence to show compliance for three years or since its last compliance audit, whichever time frame is greater, unless directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation.

If a Reliability Coordinator, Balancing Authority, Transmission Operator, Transmission Owner, or Generator Operator is found non-compliant, it shall keep information related to the non-compliance until found compliant.

The Compliance Enforcement Authority shall keep the last audit records and all requested and submitted subsequent audit records.

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 is not covered in Reliability Standards, and is therefore left to the discretion of each reporting entity. 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.

The submittals are not made to FERC.

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

Commission staff has determined that there is no duplication of information. FERC rules and data requirements are periodically reviewed in conjunction with OMB clearance

expiration dates. This includes a review of the Commission's regulations and data requirements to identify duplication. The information is not available elsewhere.

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

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 are available in NERC's Rules of Procedure at sections 507 and 508.⁶

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

If the Commission did not collect this information at all, it would not be able to carry out its responsibilities as specified by Section 215 to the Federal Power Act (FPA). Without this information, there would be greater risk and vulnerability to the safe and reliable operation of the Nation's Bulk-Power System.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

The requirements meet all of OMB's section 1320.5 (d)(2) requirements. There are no special circumstances related to this information collection.

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

The ERO process to develop proposed Reliability Standards is a collaborative process involving the ERO, Regional Entities and other stakeholders developing and reviewing drafts, and providing comments, vetting and voting on FERC-725Y. In accordance with OMB requirements,⁷ the Commission published a 60-day Notice⁸ in the Federal Register to give the public and other entities an opportunity to comment. The Commission

⁶Details of the current ERO Reliability Standard processes are available on the NERC website at <http://www.nerc.com/pa/Stand/Resources/Documents/Appendix3AStandardsProcessesManual.pdf> .

⁷5 CFR 1320.8(d)

⁸82 FR 60975, 12/26/2017

received no comments on the 60-day notice (for which the public comment period closed on 2/26/2018).

The Commission issued a 30-day notice was published 3/14/2017, which was published in the Federal Register on 3/14/2018, requesting public comment.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

The Commission does not make payments or provide gifts for respondents related to this collection.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not consider the information collected in FERC-725Y filings to be confidential. However, the Commission will consider specific requests for confidential treatment to the extent permitted by law. The Commission will review each request for confidential treatment (which must be made pursuant to 18 CFR 388.112(a)(1)) on a case-by-case basis.

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 contain any questions of a sensitive nature.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The number of respondents is based on an examination of the NERC compliance registry as of September 29, 2017. According to the NERC compliance registry, NERC has registered 176 transmission operators, 331 transmission owners and 890 generator operators.

The Commission estimates the additional annual reporting burden and cost as follows:

FERC-725Y Mandatory Reliability Standard PER-005-2 (Operations Personnel Training)						
	Number and Type of Respondents⁹ (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Avg. Burden & Cost Per Response¹⁰ (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (5) ÷ (1)
Annual Evaluation and Update of Training Program and Task List	TO (331), GOP (890)	1	1,064 ¹¹	6 hour & \$ \$327.06/hour ¹²	6,384 hrs.; \$347,991.84	\$327.06
Retention of Records	TO (331), GOP (890)	1	1,064 ¹¹	10 hour & \$545.10/hour	10, 640 hrs.; \$579,986.40	\$545.10
Verification and Retention of Evidence of capabilities of personnel [R3, M3, C1.2], and Creation and Retention of Records on Simulation Training	TO (331)	1	331	10 hour & \$40.89/hour	3,310 hrs.; \$13,534.59	\$40.89
TOTAL					20,334 hrs.; \$ 927,978.24	

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

⁹TO=Transmission Owner; RC=Reliability Coordinator; BA=Balancing Authority; TOP=Transmission Operator; GOP=Generator Operator.

¹⁰The estimates for cost per response are loaded hourly wage figure (includes benefits) is based on the average of three occupational categories for 2016 found on the Bureau of Labor Statistics website (http://www.bls.gov/oes/current/naics2_22.htm):

- Electrical Engineer (Occupation Code: 17-2071): \$68.12
- Office and Administrative Support (Occupation Code: 43-0000): \$40.89

¹¹Some transmission owners are also generator operators. To eliminate double counting some entities, this figure reflects the number of unique entities (1,064) within the group of TOs and GOPs. That approach is used throughout the table.

¹²The hourly cost decreased from the published 60-day and 30-day notices in the Federal Register. Published was \$408.72 an hour for the TO and GOP Annual Evaluation and Update of Training Program and Task List. The correct hourly cost should have been \$327.06.

There are no non-labor costs currently associated with the FERC-725Y information collection.

All of the costs in this collection are associated with burden hours (labor) and described in Questions #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 Paperwork Reduction Act (PRA) Administrative Cost is the average annual FERC 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. It also includes the cost of publishing the necessary notices in the Federal Register.

The estimated average annual cost to FERC follows.

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of filings ¹³	0	0
PRA Administrative Cost (FERC-725Y)		\$5,723
FERC Total		\$5,723

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

The reporting requirements for the FERC-725Y information collection remain unchanged. However, a one-time requirement (associated with an order in Docket No. RD14-7-000¹⁴) is being removed and Commission staff is making a slight adjustment to the remaining reporting requirements.

13 Subject matter experts found that industry employment costs (for salary plus benefits) for the FERC-725Y information collection closely resemble the Commission’s. FERC’s 2017 average annual salary plus benefits per FTE (full-time equivalent) is \$158,754 (or \$76.50 per hour).

14 *Publication date and FR reference*

The average annual burden per response and reporting requirements decreased due to the removal of the one-time burden and agencies adjustment to annual responses.

The Commission currently estimates the annual public reporting burden for the information collection as:

FERC-725Y	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	2,459	2,532	-73	0
Annual Time Burden (Hr.)	20.334	27,463	-268	-6,861
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. The data are not collected for publication.

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.