

Supporting Statement for  
**FERC-725A (Mandatory Reliability Standards for the Bulk-Power System), and  
FERC-725S (Mandatory Reliability Standards: Emergency Preparedness  
and Operations (EOP) Reliability Standards),  
as modified by the Final Rule in Docket RM17-12<sup>1</sup>**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve FERC-725A (Mandatory Reliability Standards for the Bulk-Power System), and FERC-725S (Mandatory Reliability Standards: Emergency Preparedness and Operations (EOP) Reliability Standards) under OMB Control Numbers 1902-0244 and 1902-0270 respectively, as modified by the Final Rule in RM17-12 for a three-year period. This supporting statement is a consolidated document that covers the requirements of both information collections (FERC-725A and FERC-725S).

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

**Background.** On August 8, 2005, The Electricity Modernization Act of 2005, which is Title XII of the Energy Policy Act of 2005<sup>2</sup> (EPAct 2005), was enacted into law. EPAct 2005 added a new section 215 to the Federal Power Act (FPA),<sup>3</sup> 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, or by the Commission independently.

Section 215 of the FPA requires a Commission-certified 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 or by the Commission independently. In 2006, the Commission certified North American Electric Reliability Corporation (NERC) as the ERO pursuant to section 215 of the FPA.

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<sup>1</sup>The NOPR was submitted to OMB under FERC-725S but the final rule is being submitted under FERC-725A and FERC-725S. The Commission issued the Final Rule on 01/24/2018, and it is posted at [https://elibrary.ferc.gov/idmws/file\\_list.asp?document\\_id=14635551](https://elibrary.ferc.gov/idmws/file_list.asp?document_id=14635551)

<sup>2</sup> 16 U.S.C. 824d(a)

<sup>3</sup> 16 U.S.C. 824(o). The approved Reliability Standards are available on the Commission's eLibrary document retrieval system in Docket No. RM17-12-000 and on the NERC website, [www.nerc.com](http://www.nerc.com).

RM17-12: Pursuant to section 215 of the Federal Power Act (FPA),<sup>4</sup> the Commission approves Emergency Preparedness and Operations (EOP) Reliability Standards EOP-004-4 (Event Reporting), EOP-005-3 (System Restoration from Blackstart Resources), EOP-006-3 (System Restoration Coordination), and EOP-008-2 (Loss of Control Center Functionality), submitted by the North American Electric Reliability Corporation (NERC), the Commission-certified Electric Reliability Organization (ERO). The Commission also approves the associated violation risk factors, violation severity levels, implementation plans, and effective dates. In addition, the Commission approves the retirement of 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 EOP Reliability Standards.

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

The Final Rule in Docket No. RM17-12 approve EOP Reliability Standards which will enhance reliability by:

- (1) providing accurate reporting of events to NERC's event analysis group to analyze the impact on the reliability of the bulk electric system (Reliability Standard EOP-004-4);
- (2) delineating the roles and responsibilities of entities that support system restoration from blackstart resources which generate power without the support of the bulk electric system (Reliability Standard EOP-005-3);
- (3) clarifying the procedures and coordination requirements for reliability coordinator personnel to execute system restoration processes (Reliability Standard EOP-006-3); and
- (4) refining the required elements of an operating plan used to continue reliable operations of the bulk electric system in the event that primary control center functionality is lost (Reliability Standard EOP-008-2).

**FERC-725A:** Currently-effective Reliability Standards EOP-004-3, EOP-005-2, EOP-006-2, and EOP-008-1 are being retired and all associated burdens and costs will be removed from FERC-725A. The new versions of the standards which are approved in this order are being placed into FERC-725S.

**FERC-725S:** Burden and cost of Reliability Standards EOP-004-4, EOP-005-3, EOP-006-3 and EOP-008-2 will be added to this collection.

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<sup>4</sup> 16 U.S.C. 824(o).

### **3. DESCRIBE ANY CONSIDERATION OF THE USE OF IMPROVED TECHNOLOGY TO REDUCE 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.

**FERC-725A and FERC-725S:** 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. In Final Rule in RM17-12, Reliability Standards EOP-004-4, EOP-005-3, EOP-006-3, and EOP-008-2 do not duplicate any filing requirements.

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

FERC estimates that there are approximately 45 or 21% of of the entities affected by the rule are 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.

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

If the requirements of these standards were performed less frequently, NERC would not be provided any information to allow assessment of the compliance with the . Adequate planning for operating emergencies and responding to those emergencies is critical for the reliable operation of the bulk power system.

- 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.
- 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.
- Reliability Standard EOP-006-3 establishes how personnel should prepare, execute, and coordinate system restoration processes to maintain reliability and to restore the Interconnection.
- 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**

**FERC-725A and FERC-725S:** There are no special circumstances related to the information collections as affected by the RM17-12-000 Final Rule.

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

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 collections of data. The NOPR was published in the Federal Register on 9/26/2017, 82 FR 44746. None of the comments received in response to the RM17-12 NOPR pertained to paperwork burden.

The Final Rule was published in the Federal Register on 1/24/2018.

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

No payments or gifts have been made to respondents.

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

According to the NERC Rules of Procedure , “...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 due to the Reliability Standards to FERC. Rather, they submit the information to NERC, the regional entities, or 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**

**FERC-725A and FERC-725S:** These collections do not contain any questions of a sensitive nature.

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

**FERC-725A and FERC-725S:** The estimated public reporting burden due to this Final Rule in Docket RM17-12 follows. The total average annual burden and the cost to industry over years 1, 2 and 3 is \$54,125 hours and \$3,350,233.

The following tables detail Reliability Standards EOP-004-4, EOP-005-3, EOP-006-3, and EOP-008-2 which will result in paperwork burden being added to FERC-725S (OMB Control No. 1902-0270). These Reliability Standards will replace previous versions whose paperwork burden was previously approved in FERC-725A (OMB Control. No. 1902-0244). The burden being added to FERC-725S reflects an increase from the previous versions of the Reliability Standards in total burden hours and cost based on adjustments in the one additional entities and changes to hourly cost.

<b>Reliability Standard and Associated Requirement</b>	<b>Number of Respondents (1)</b>	<b>Annual Number of Responses per Respondent (2)</b>	<b>Total Number of Responses (1)*(2)=(3)</b>	<b>Average Burden &amp; Cost Per Response<sup>5</sup> (4)</b>	<b>Total Annual Burden &amp; Total Annual Cost<sup>6</sup> (3)*(4)=(5)</b>	<b>Cost per Respondent (\$) (5)÷(1)</b>
<b>EOP-008-2</b>						
One-time Review and Revision of Plan (affected entities)	215	1	215	20 hrs. (Eng.); (\$1,286) (Reduction)	4,300 hrs. (Eng.); (\$276,447) (Reduction)	(\$1,286) (Eng.) (Reduction)
Updating, Approving, and Maintaining Records (affected entities)	215	1	215	6 hrs. (Eng.); (\$386) (Reduction) 2 hrs. (R.K.); (\$76) (Reduction)	1,290 hrs. (Eng.); (\$82,934) (Reduction) 430 hrs. (R.K.); (\$16,233) (Reduction)	(\$386) (Eng.); (\$76) (R.K.) (Reduction)
One-time Contracting (affected entities)	27	1	27	120 hrs. (Eng.) (\$7,715) (Reduction)	3,240 hrs. (Eng.) (\$208,300) (Reduction)	(\$7,715) (Eng.) (Reduction)
<b>EOP-005-3 &amp; EOP-006-3</b>						

<sup>5</sup> In the burden table, reporting requirements (engineering) is abbreviated as “Eng.” and record keeping is abbreviated as “R.K.”

<sup>6</sup> The estimates for cost per hour are based on 2015 wage figures. The table uses 2015 wage figures because 2015 wage figures were used when the requirements listed in the table were implemented. The wage figures were derived as follows:

\$64.29/hour, the average salary plus benefits per electrical engineer, Occupation Code 17-2071 (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 for information and record clerks, Occupation Code 43-4071 (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 in the burden table.

RC Data Retention	26	2	52	8 hrs. (R.K.) (\$514) (Reduction)	416 hrs. (R.K.); (\$26,745) (Reduction)	(\$514) (R.K.) (Reduction)
TOP Reporting Data	176	1	176	116 hrs. (Eng.); (\$7,458) 16 hrs. (R.K.); (\$604) (Reduction)	20,416 hrs. (Eng.); (\$1,312,545) 2,816 hrs. (R.K.); (\$106,304) (Reduction)	(\$7,458) (Eng.); (\$604) (R.K.) (Reduction)
GOP Testing	230	1	230	80 hrs. (Eng.); (\$5,143) (Reduction)	18,400 hrs. (Eng.); (\$1,182,936) (Reduction)	(\$5,143) (Eng.) (Reduction)
TO and DP Training	678	1	678	8 hrs. (Eng.); (\$514) (Reduction)	5,424 hrs. (Eng.); (\$348,709) (Reduction)	(\$514) (Eng.) (Reduction)
<b>EOP-004-2<sup>7</sup></b>						
One-Time Review and Revision of Plan (affected entities)	1,400	1	1,400	2 hrs. (Eng.); (\$129) (Reduction)	2,800 hrs. (Eng.); (\$180,012) (Reduction)	(\$129) (Reduction)
Reporting Events (affected entities)	350	1	350	0.17 hrs. (Eng.); (\$11) (Reduction)	59.5 hrs. (Eng.); (\$3,825) (Reduction)	(\$11) (Reduction)

<sup>7</sup> The IC in ROCIS has 4,216 hours of burden for this Standard which is being retired because of the Commission order in RM17-12. We are removing the total burden from earlier versions of EOP-004 of 4,216 that is in ROCIS. We believe the numbers in this table of 2859 is a better estimate. The standard is being retired and the current IC is being deleted.

<b>Total,                  Reductions                  to FERC-                  725A</b>		3,343 <sup>8</sup> (Reduction)		59,591.5 hrs; (\$3,744,990) (Eng.)55,929.5 hrs.; (\$3,595,708); (R.K.) 3,662 hrs.; (\$149,282) (Reduction)	
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In the table below, approval of Reliability Standards, EOP-004-4, EOP-005-3, EOP-006-3, and EOP-008-2, will result in paperwork burden being added to FERC-725S (OMB Control No. 1902-0270). These Reliability Standards will replace previous versions whose paperwork burden was previously approved in FERC-725A (OMB Control. No. 1902-0244). The burden being added to FERC-725S reflects an increase from the previous versions of the Reliability Standards in total burden hours and cost based on adjustments, the one additional entity, and changes to hourly cost.

**FERC-725S, modifications due to Final Rule in Docket No. RM17-12**

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<sup>8</sup> The number of responses and respondents from FERC-725A is not being reduced because other respondents are still required to perform task and a reduction would cause the respondents numbers to be lower. We are removing the one-time



<b>Reliability Standard and Associated Requirement</b>	<b>Number of Respondents<sup>9</sup> (1)</b>	<b>Annual Number of Responses per Respondent (2)</b>	<b>Total Number of Responses (1)*(2)=(3)</b>	<b>Average Burden &amp; Cost Per Response<sup>10</sup> (4)</b>	<b>Total Annual Burden &amp; Total Annual Cost<sup>11</sup> (3)*(4)=(5)</b>	<b>Cost per Respondent (\$) (5)÷(1)</b>
<b>EOP-008-2</b>						
One-time Review in Year 1 (RC, TOP & BA in diff. ways and amts)	216	1	216	20 hrs. (Eng.); \$1,362	4,320 hrs. (Eng.); \$294,192	\$1,362 (Eng.)
Updating, Approving, and Maintaining Records	216	1	216	6 hrs. (Eng.); \$409 2 hrs. (R.K.); \$78	1728 hrs., \$105,092 (1,296 hrs. (Eng.); \$88,244 (R.K.); 432 hrs; \$16,848)	\$487 (\$409 (Eng.); \$78 (R.K.))

<sup>9</sup> The IC in ROCIS has 4,216 hours of burden for this Standard which is being retired because of the Commission order in RM17-12. We are removing the total burden from earlier versions of EOP-004 of 4,216 that is in ROCIS. We believe the numbers in this table of 2859 is a better estimate. The standard is being retired and the current IC is being deleted.

<sup>10</sup> In the burden table, reporting requirement (engineering) is abbreviated as “Eng.” and record keeping is abbreviated as “R.K.”

<sup>11</sup> The estimates for cost per hour are based on May 2016 wage figures and derived as follows:

\$68.12/hour, the average salary plus benefits per electric engineer, Occupation Code 17-2071, (from Bureau of Labor Statistics at [https://www.bls.gov/oes/current/naics2\\_22.htm](https://www.bls.gov/oes/current/naics2_22.htm))

\$39.14/hour, the average salary plus benefits per information and record clerks Occupation Code 43-4071, (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.

One-time Contracting in Year 1	27	1	27	120 hrs. (Eng.) \$8174	3,240 hrs. \$220,698 (Eng.)	\$8174 (Eng.)
<b>EOP-005-3 (TOP, GOP, TO, DP) &amp; EOP-006-3 (RC only)</b>						
RC Data Retention	11	2	22	8 hrs. (R.K.) \$313	176 hrs. (R.K.); \$6,886	\$626 (R.K.)
TOP Reporting Data	177	1	177	132 hrs., \$8528 (116 hrs. (Eng.); \$7,902 16 hrs. (R.K.); \$626)	23,364 hrs., \$1,209,45 6( 20,532 hrs. (Eng.); \$1,398,65 4 2,832 hrs. (R.K.); \$110,802)	\$8528 (\$7,902 (Eng.); \$626 (R.K.)
GOP Testing	264	1	264	80 hrs. (Eng.); \$5450	21,120 hrs. (Eng.); \$1,438,80 0	\$5,450 (Eng.)
TO and DP Training	524	1	524	8 hrs. (Eng.); \$545	4,192 hrs. (Eng.); \$285,580	\$545 (Eng.)
<b>EOP-004-4 (RC, BA, TO, TOP, GO, GOP &amp; DP)</b>						
One-Time Review and Revision in Year 1 (affected entities)	1,475	1	1,475	2 hrs. (Eng.); \$136	2,950 hrs. (Eng.) \$200,600	\$136(En g.)

FERC-725A and FERC-725S (OMB Control Nos. 1902-0244 and 1902-0270)

Final Rule (Order 840, issued 1/18/2018) in Docket RM17-12

RIN: 1902-AF42

Reporting Events (affected entities)	368	1	368	0.17 hrs. (Eng.); \$12	63 hrs. (Eng.); \$4,416	\$12 (Eng.)
<b>Total Year 1</b>			3,289		61,090 hrs.; \$4,036,100 ((Eng.) 57,650 hrs., \$3,901,204; (R.K) 3440 hrs., \$134,896)	
<b>Total Year 2</b>			1,571		54,125 hrs., \$3,350,233	
<b>Total Year 3</b>			1,571		54,125 hrs., \$3,350,233	

In the table above, we indicate the annual total burden for years 1, 2 and 3 for FERC-725S (OMB Control No. 1902-0270). The average annual burden for years 1, 2 and 3 were calculated by adding years 1, 2 and 3 burden and cost and dividing it by 3 to get 54,125 hours and \$3,350,233. (which is year 1 minus the one-time burden) divided by 3. The average annual burden is 54,125 hours and \$3,350,233.

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

**FERC-725A and FERC-725S:** 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 final rule 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 (OMB Control No. 1902-0255).

**FERC-725A and FERC-725S:** The Commission does incur the costs associated with obtaining OMB clearance for the two collections under the Paperwork Reduction Act (PRA). 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 Final Rule), and other changes to the collections. FERC estimates the annual cost for this effort to be \$5,723.00 for each of these collections.

FERC-725A	Number of Employees (FTEs)	Estimated Annual Federal Cost
Analysis and Processing of filings	0	\$0
Paperwork Reduction Act Administrative Cost <sup>12</sup>		\$5,723

<sup>12</sup> The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and

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

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

**FERC-725A:** Reliability Standards EOP-004-3, EOP-005-2, EOP-006-2, and EOP-008-1 are being retired from FERC-725A; the new versions of the standards are being added to FERC-725S. This will result in paperwork burden being added to FERC-725S.

**FERC-725S:** The burden being added to FERC-725S reflects an increase from the previous versions of the Reliability Standards in total burden hours and cost based on adjustments for the one additional entity and changes to hourly cost.

A summary of the current OMB-approved inventory and the changes due to the Final Rule in RM17-12 follows:

<b>FERC-725A</b>	<b>Total Request</b>	<b>Previously Approved</b>	<b>Change due to Adjustment in Estimate</b>	<b>Change Due to Agency Discretion</b>
Annual Number of Responses	623	3,966	0	-3,343
Annual Time Burden	1,582,705	1,642,296	0	-59,591
Annual Cost Burden (\$)	\$126,725	\$126,725	\$0	\$0

<b>FERC-725S</b>	<b>Total Request</b>	<b>Previously Approved</b>	<b>Change due to Adjustment</b>	<b>Change Due to Agency Discretion</b>
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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 Final Rule), and other changes to the collection.

			<b>in Estimate</b>	
Annual Number of Responses	426	210	0	216
Annual Time Burden	74,605	20,480	0	54,125
Annual Cost Burden (\$)	\$0	\$0	\$0	\$0

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

There is no publication of data associated with FERC-725A and FERC-725S collections of information.

#### **17. DISPLAY OF THE EXPIRATION DATE**

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

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

There are no exceptions for FERC-725A nor FERC-725S.