Supporting Statement

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

(Three-year extension requested)

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review and renew the information collection requirements in FERC-725L under OMB Control No. 1902-0261. This supporting statement covers the requirements of the FERC-725L information collection. The reporting requirements in the FERC-725L are also contained in FERC’s regulations in 18 Code of Federal Regulations (CFR) Part 40.

An errata notice was issued on 4/24/2018 to address the inadvertent omission of the MOD-031-2 Reliability Standard from the 60 and 30-day public notices associated with this extension request. The errata is located [here](https://elibrary-backup.ferc.gov/idmws/common/OpenNat.asp?fileID=14896329)[[1]](#footnote-1) in the Commission’s eLibrary system.

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 (EPAct 2005), was enacted into law. EPAct 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.[[2]](#footnote-2)

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

The FERC-725L information collection contains six reliability standards:

* MOD-025-2;
* MOD-026-1;
* MOD-027-1;
* MOD-031-2;
* MOD-032-1; and
* MOD-033-1.

The Commission approved MOD-025-2, MOD-026-1, and MOD-027-1 Reliability Standards in the Final Rule in Docket RM13-16-000[[3]](#footnote-3). The purpose of these generator verification Reliability Standards[[4]](#footnote-4) is to ensure:

* generators remain in operation during specified voltage and frequency excursions; properly coordinate protective relays and generator voltage regulator controls; and
* generator models accurately reflect the generator’s capabilities and equipment performance.

Reliability Standard MOD-031-2[[5]](#footnote-5) provides planners and operators access to actual and forecast demand and energy data as needed to perform resource adequacy studies. MOD-031-2 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; and
* 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.

Reliability Standards MOD-032-1 and MOD-033-1 were approved by the Commission in an Order in Docket No. RD14-5-000[[6]](#footnote-6). Both standards were designed to replace, consolidate and improve upon existing MOD standards, “in addressing system-level modeling data and validation requirements necessary for developing planning models and the Interconnection-wide cases that are integral to analyzing the reliability of the Bulk-Power System.”[[7]](#footnote-7)

MOD-032-1 Reliability Standard contains four requirements:

* Requirement R1 mandates that each planning coordinator and each of its transmission planners shall jointly develop steady-state, dynamics, and short circuit modeling data requirements and reporting procedures for the planning coordinator’s planning area;
* Requirement R2 mandates that each balancing authority, generator owner, load serving entity, resource planner, transmission owner, and transmission service provider shall provide steady-state, dynamics, and short circuit modeling data to its transmission planner(s) and planning coordinator(s) according to the data requirements and reporting procedures developed by its planning coordinator and transmission planner in Requirement R1. For data that has not changed since the last submission, a written confirmation that the data has not changed is sufficient;
* Requirement R3 mandates that upon receipt of written notification from its planning coordinator or transmission planner regarding technical concerns with the data submitted under Requirement R2, including the technical basis or reason for the technical concerns, each notified balancing authority, generator owner, load serving entity, resource planner, transmission owner, or transmission service provider shall respond to the notifying planning coordinator or transmission planner as follows:
  + Provide either updated data or an explanation with a technical basis for maintaining the current data;
  + Provide the response within 90 calendar days of receipt, unless a longer time period is agreed upon by the notifying planning coordinator or transmission planner.
* Requirement R4 mandates that each planning coordinator shall make available models for its planning area reflecting data provided to it under Requirement R2 to the Electric Reliability Organization (ERO) or its designee to support creation of the Interconnection-wide case(s) that includes the planning coordinator’s planning area.

MOD-033-1 Reliability Standard contains two requirements:

* Requirement R1 requires each planning coordinator to implement a documented data validation process that includes the following attributes:
  + 1.1 Comparison of the performance of the planning coordinator’s portion of the existing system in a planning power flow model to actual system behavior, represented by a state estimator case or other Real-time data sources, at least once every 24 calendar months through simulation;
  + 1.2 Comparison of the performance of the planning coordinator’s portion of the existing system in a planning dynamic model to actual system response, through simulation of a dynamic local event, at least once every 24 calendar months (use a dynamic local event that occurs within 24 calendar months of the last dynamic local event used in comparison, and complete each comparison within 24 calendar months of the dynamic local event). If no dynamic local event occurs within the 24 calendar months, use the next dynamic local event that occurs;
  + 1.3 Guidelines the planning coordinator will use to determine unacceptable differences in performance under Part 1.1 or 1.2; and
  + 1.4 Guidelines to resolve the unacceptable differences in performance identified under Part 1.3.
* Requirement R2 requires each reliability coordinator and transmission operator to provide actual system behavior data (or a written response that it does not have the requested data) to any planning coordinator performing validation under Requirement R1 within 30 calendar days of a written request, such as, but not limited to, state estimator case or other Real-time data (including disturbance data recordings) necessary for actual system response validation.

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

This collection does not require industry to file the information with the Commission. However, FERC-725L does contain information collection and record retention requirements for which using current technology is an option.

The information technology to meet the information collection requirements is not specifically covered in the Reliability Standard.

1. **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. The Commission is unaware of any other source of information related to bulk-electric system physical security.

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

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[[8]](#footnote-8).

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

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.

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

There are no special circumstances related to the FERC-725L information collection.

1. **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.[[9]](#footnote-9) The NERC-approved Reliability Standards were then submitted by NERC to the FERC for review and approval.

In accordance with OMB requirements, the Commission published a 60-day notice[[10]](#footnote-10) and a 30-day notice[[11]](#footnote-11) to the public regarding this information collection on 1/26/2018 and 4/18/2018 respectively. Within the public notices, the Commission noted that it would be requesting a three-year extension of the public reporting burden. The Commission received no comments from the public in response to the 60-day notice regarding the FERC-725L information collection.

1. **EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS**

There are no payments or gifts to respondents associated with this collection.

1. **DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS**

According to the NERC Rule of Procedure[[12]](#footnote-12), “…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 these Reliability Standards 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.

1. **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.

1. **ESTIMATED BURDEN OF COLLECTION OF INFORMATION**

The burden for the FERC-725L information collection includes estimates related to each of the six previously approved Reliability Standards. The burden estimates for each follow:

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| --- | --- | --- | --- | --- | --- | --- |
| **MOD-025-2 (Verification and Data Reporting of Generator Real and Reactive Power Capability and Synchronous Condenser Reactive Power Capability)** | | | | | | |
|  | **Number of Respondents (1)** | **Annual Number of Responses per Respondent**  **(2)** | **Total Number of Responses (1)\*(2)=(3)** | **Average Burden & Cost Per Response**  **(4)** | **Total Annual Burden Hours & Total Annual Cost**  **(3)\*(4)=(5)** | **Cost per Respondent**  **($)**  **(5)÷(1)** |
| Attachment 2 | 933  (GO) | 1 | 933 | 6 hrs.;  $448.92**[[13]](#footnote-13)** | 5,598 hrs.;  $418,842 | $448.92 |
| Evidence Retention | 933  (GO) | 1 | 933 | 1 hr.;  $32.74**[[14]](#footnote-14)** | 933 hrs.;  $30,546 | $32.74 |
| **TOTAL** |  | | | | **6,531 hrs.;**  **$449,388** |  |

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| **MOD-026-1 (Verification of Models and Data for Generator Excitation Control System or Plant Volt/Variance Control Functions)** | | | | | | |
|  | **Number of Respondents (1)** | **Annual Number of Responses per Respondent**  **(2)** | **Total Number of Responses (1)\*(2)=(3)** | **Average Burden & Cost Per Response**  **(4)** | **Total Annual Burden Hours & Total Annual Cost**  **(3)\*(4)=(5)** | **Cost per Respondent**  **($)**  **(5)÷(1)** |
| Instructions for obtaining excitation control system or plant voltage/variance control function model | 185  (TP) | 1 | 185 | 8 hrs.;  $598.565 | 1,480 hrs.;  $110,734 | $598.56 |
| Documentation on generator verification | 466  (GO) | 1 | 466 | 8 hrs.;  $598.565 | 3,728 hrs.;  $278,929 | $598.56 |
| Evidence Retention | 651  (GO and TP) | 1 | 651 | 1 hr.;  $32.746 | 651 hrs.;  $21,314 | $32.74 |
| **TOTAL** |  | | | | **5,859 hrs.;**  **$410,977** |  |

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| **MOD-027-1 (Verification of Models and Data for Turbine/Governor and Load Control or Active Power/Frequency Control Functions)** | | | | | | |
|  | **Number of Respondents (1)** | **Annual Number of Responses per Respondent**  **(2)** | **Total Number of Responses (1)\*(2)=(3)** | **Average Burden & Cost Per Response**  **(4)** | **Total Annual Burden Hours & Total Annual Cost**  **(3)\*(4)=(5)** | **Cost per Respondent**  **($)**  **(5)÷(1)** |
| Instructions for obtaining excitation control system or plant voltage/variance control function model | 185  (TP) | 1 | 185 | 8 hrs.;  $598.565 | 1,480 hrs.;  $110,734 | $598.56 |
| Documentation on generator verification | 466  (GO) | 1 | 466 | 8 hrs.;  $598.565 | 3,728 hrs.;  $278,929 | $598.56 |
| Evidence Retention | 651  (GO and TP) | 1 | 651 | 1 hr.;  $32.746 | 651 hrs.;  $21,314 | $32.74 |
| **TOTAL** |  | | | | **5,859 hrs.;**  **$410,977** |  |

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| **Reliability Standard MOD-031-2 (Demand and Energy Data), included in FERC-725L** | | | | | | |
| **Reliability Standard MOD-031-2** | **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[[15]](#footnote-15)**  **(4)** | **Total Annual Burden Hours & Total Annual Cost**  **(3)\*(4)=(5)** | **Cost per Respondent**  **(5)÷(1)** |
| (On-going) Develop summary in accordance with Requirement R1, Subparts 1.5.4 and 1.5.5. | 561  (DP, LSE, TP and/or BA) | 1 | 561 | 8 hrs.;  $545 | 4,488 hrs.;   $305,723 | $545 |

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| **MOD-032-1 (Verification of Models and Data for Turbine/Governor and Load Control or Active Power/Frequency Control Functions)** | | | | | | |
|  | **Number of Respondents (1)** | **Annual Number of Responses per Respondent**  **(2)** | **Total Number of Responses (1)\*(2)=(3)** | **Average Burden & Cost Per Response**  **(4)** | **Total Annual Burden Hours & Total Annual Cost**  **(3)\*(4)=(5)** | **Cost per Respondent**  **($)**  **(5)÷(1)** |
| Data Submittal | 1,197  (BA, GO, PA, RP, TO, TP, and TSP) | 1 | 1,197 | 8 hrs.;  $544.96**[[16]](#footnote-16)** | 9,576 hrs.;  $652,317 | $544.96 |
| Evidence Retention | 1,197  (BA, GO, PA, RP, TO, TP, and TSP) | 1 | 1,197 | 1 hr.;  $32.746 | 1,197 hrs.;  $39,190 | $32.74 |
| **TOTAL** |  | | | | **10,773 hrs.;**  **$691,507** |  |

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| **MOD-033-1 (Steady-State and Dynamics System Model Validation)** | | | | | | |
|  | **Number of Respondents (1)** | **Annual Number of Responses per Respondent**  **(2)** | **Total Number of Responses (1)\*(2)=(3)** | **Average Burden & Cost Per Response**  **(4)** | **Total Annual Burden Hours & Total Annual Cost**  **(3)\*(4)=(5)** | **Cost per Respondent**  **($)**  **(5)÷(1)** |
| Data Submittal | 188  (RC and TOP) | 1 | 188 | 8 hrs.;  $544.967 | 1,504 hrs.;  $102,452 | $544.96 |
| Evidence Retention | 194  (PA, RC, and TOP) | 1 | 194 | 1 hr.;  $32.746 | 194 hrs.;  $6,352 | $32.74 |
| **TOTAL** |  | | | | **1,698 hrs.;**  **$108,804** |  |

The total annual burden and cost of the FERC-725L information collection is 35,208 hours and $2,377,276.

1. **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 are associated with burden hours (labor) and described in #12 and 15.

1. **ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT**

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 follows:

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| --- | --- | --- |
|  | **Number of Employees (FTE)** | **Estimated Annual Federal Cost** |
| FERC-725L Analysis and Processing of filings[[17]](#footnote-17) | 0 | $0 |
| PRA[[18]](#footnote-18) Administrative Cost |  | $5,723 |
| **FERC Total** |  | $5,723 |

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.

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.

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

The burden for the FERC-725L information collection is experiencing both reductions and increases.

* The reductions are due to the removal of one-time burdens (program decrease) associated with Reliability Standards MOD-025-2, MOD-026-1, MOD-027-1, MOD-032-1, MOD-033-1, and MOD-031-2[[19]](#footnote-19).
* Three reliability standards had increases to their respective annual burdens (MOD-025-2, MOD-026-1, and MOD-027-1) due to adjustments to the number of affected respondents (due to normal industry fluctuations, e.g., companies entering/leaving the industry, or merging/splitting).
* Two reliability standards (MOD-032-1 and MOD-033-1) experienced decreases (adjustments) to their respective annual burdens due to normal industry fluctuations).
* The annual burden estimate for the MOD-031-2 Reliability Standard remains unchanged in this extension request.

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| **FERC-725L** | **Total Request** | **Previously Approved** | **Change due to Adjustment in Estimate** | **Change Due to Agency Discretion** |
| Annual Number of Responses | 4,187 | 5,693 | 247 | -1,753 |
| Annual Time Burden (Hr.) | 35,208 | 53,911 | 1,817 | -20,520 |
| Annual Cost Burden ($) | 0 | 0 | 0 | 0 |

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

FERC does not publish any data associated with this collection.

1. **DISPLAY OF EXPIRATION DATE**

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

1. **EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There are no exceptions.

1. <https://elibrary-backup.ferc.gov/idmws/common/OpenNat.asp?fileID=14896329> [↑](#footnote-ref-1)
2. *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). [↑](#footnote-ref-2)
3. Order No. 796 issued on 3/20/2014 (published at 79 FR 17011, 3/27/2014). [↑](#footnote-ref-3)
4. In conjunction with Reliability Standards PRC-019-1 and PRC-024-1. The reporting requirements for PRC-019-1 and PRC-024-1 Reliability Standards are contained in the FERC-725G information collection (OMB Control No. 1902-0252). [↑](#footnote-ref-4)
5. Approved by the Commission in the Final Rule in Docket No. RM14-12-000 (published at 80 FR 9596, 2/24/2015). This Final Rule approved MOD-031-1. An order in Docket No. RD16-1-000 (issued 2/18/2016) revised the reliability standard into its current version, MOD-031-2. [↑](#footnote-ref-5)
6. Approved by the Commission in the Order in Docket No. RD14-5-000 (issued 5/1/2014). [↑](#footnote-ref-6)
7. NERC Petition for MOD-032-1 at paragraph 2. [↑](#footnote-ref-7)
8. <http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC_ROP_Effective_20161031.pdf> [↑](#footnote-ref-8)
9. 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>. [↑](#footnote-ref-9)
10. 83 FR 3699 [↑](#footnote-ref-10)
11. 83 FR 17171 [↑](#footnote-ref-11)
12. Section 1502, Paragraph 2, available at NERCs website. [↑](#footnote-ref-12)
13. This wage figure uses the average hourly wage (plus benefits) for electrical engineers (Occupation Code: 17-2071, $68.12/hour) and managers (Occupation Code: 11-0000, $81.52/hour) obtained from the Bureau of Labor Statistics (BLS). The average used the following calculation: [$68.12/hour + $81.52/hour] ÷ 2 = $74.82/hour. [↑](#footnote-ref-13)
14. The estimate uses the hourly average wage (plus benefits) for file clerks obtained from the Bureau of Labor Statistics: $32.74/hour (BLS Occupation Code: 43-4071). [↑](#footnote-ref-14)
15. The estimate uses the average hourly wage (plus benefits) of $68.12/hour for electrical engineers (Occupation Code: 17-2071) from the Bureau of Labor Statistics. [↑](#footnote-ref-15)
16. This uses the hourly average wage (plus benefits) for electrical engineers obtained from the Bureau of Labor Statistics: $68.12/hour (BLS Occupation Code: 17-2071). [↑](#footnote-ref-16)
17. Based upon FERC’s 2017 FTE average salary plus benefits. [↑](#footnote-ref-17)
18. Paperwork Reduction Act of 1995 (PRA) [↑](#footnote-ref-18)
19. The terms of clearance for the Order in Docket No. RD16-1-000 (ICR No. 201603-1902-004) stipulated that FERC remove the one-time burden of 6,720 hours (from previous ICR No. 201502-1902-005). That burden is removed in this extension request. [↑](#footnote-ref-19)