

Supporting Statement for
FERC-725P1, (Mandatory Reliability Standards: PRC-005-6 Reliability Standard)

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review and approve the FERC-725P1 information collection (OMB Control Number 1902-0280) for a three-year period. The FERC-725P1 is a current collection and its reporting and record retention requirements are covered by Title 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.¹ 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.

On February 3, 2006, the Commission issued Order No. 672, implementing section 215 of the FPA.² Pursuant to Order No. 672, the Commission certified one organization, North American Electric Reliability Corporation (NERC), as the ERO.³ The Reliability Standards developed by the ERO and approved by the Commission apply to users, owners and operators of the Bulk-Power System as set forth in each Reliability Standard.

On November 13, 2015, the North American Electric Reliability Corporation (NERC) filed a petition⁴ for Commission approval of the then proposed Reliability Standard PRC-005-6⁵ (Protection System, Automatic Reclosing, and Sudden Pressure Relaying Maintenance). NERC also requested approval of the proposed implementation plan for PRC-005-6, and the retirement of previous versions of Reliability Standard PRC-005. NERC explained in its petition that Reliability Standard PRC-005-6 represents an improvement upon the most recently-approved

¹ 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 (2000).

² *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards*, Order No. 672, FERC Stats. & Regs. ¶ 31,204, *order on reh'g*, Order No. 672-A, FERC Stats. & Regs. ¶ 31,212 (2006).

³ *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh'g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,190, *order on reh'g*, 119 FERC ¶ 61,046 (2007), *aff'd sub nom. Alcoa Inc. v. FERC*, 564 F.3d 1342 (D.C. Cir. 2009).

⁴ <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14052280>

⁵ Proposed Reliability Standard PRC-005-6 (Exhibit A of NERC's Petition) is available at <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14052281>.

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version of the standard, PRC-005-4.⁶ In a Delegated Letter Order on December 18, 2015, FERC approved the proposed Reliability Standard PRC-005-6.⁷

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

As stated by NERC in the Executive Summary of its Petition [footnotes omitted]:

“The PRC-005 Reliability Standard helps ensure that entities have a program for the maintenance of their applicable Protection Systems, Automatic Reclosing, and Sudden Pressure Relaying so that they are kept in working order. The standard has been revised several times since its initial approval in Order No. 693 to incorporate interpretations, clarify applicability, and respond to Commission directives. Following a restructuring of the standard in PRC-005-2, a number of versions have been developed, including currently-effective PRC-005-2(i), Commission-approved but not yet effective versions PRC-005-3, PRC-005-3(i), and PRC-005-4, and pending versions PRC-005-2(ii) and PRC-005-3(ii).

In this petition, NERC proposes additional modifications that improve upon the most recent Commission-approved version, PRC-005-4, in two respects. First, proposed Reliability Standard PRC-005-6 revises the standard to include supervisory devices and functions associated with applicable autoreclosing relay schemes. Reliability is improved by extending the protections of a strong Protection System Maintenance Program to these devices consistent with Order No. 803.

Second, proposed Reliability Standard PRC-005-6 includes a revision to the PRC-005 standard that was included in prior versions of the standard but, as explained further below, was not carried forward to PRC-005-4 due to the timing of the development of that version. Specifically, proposed Reliability Standard PRC-005-6 includes Commission-approved revisions addressing the applicability of PRC-005 to owners of dispersed generation resources. As explained in greater detail below, these revisions reflect the determination of the standard drafting team for Project 2014-01 Standards Applicability for Dispersed Generation Resources that while the components of dispersed power generation, such as individual wind or solar units, often do not pose a significant risk to the reliability of the Bulk-Power System when evaluated individually, reliability could be improved by ensuring the equipment utilized to aggregate these individual units

⁶ As noted in NERC’s petition, NERC filed a separate motion to delay implementation of the approved, but not yet effective, versions of the PRC-005 Reliability Standard in Docket Nos. RM14-8-000 (PRC-005-3), RD15-3-000 (PRC-005-3(i)), and RM15-9-000 (PRC-005-4) until after the Commission issues an order or rule regarding proposed PRC-005-6. NERC’s motion was granted in a delegated letter order issued December 4, 2015. See North American Elec. Reliability Corp., Docket Nos. RM14-8-000 et al. (Dec. 4, 2015) (delegated letter order).

⁷ The Delegated Letter Order is available in FERC’s eLibrary at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14076238>.

to a common point of interconnection with the Bulk-Power System is operated and maintained as required by the PRC-005 Reliability Standard.

Additionally, as there are now multiple versions of the PRC-005 Reliability Standard pending enforcement or Commission approval, the implementation plan for proposed PRC-005-6 is designed to assist registered entities and the ERO Enterprise in their transition efforts by simplifying and streamlining the implementation approach for all of the newly-applicable systems introduced in the versions of PRC-005 not yet in effect. As discussed below, the proposed implementation plan retains the reasonable, phased-in implementation approach of past plans, which require registered entities to gradually ensure compliance of a percentage of their devices until they reach 100% compliance. However, NERC proposes to replace the patchwork implementation of requirements for the systems introduced by each successive PRC-005 version with an implementation plan that aligns compliance dates for all newly applicable systems.

Aligning the dates by which registered entities must be compliant for all newly applicable systems necessitates a slight delay from the staggered timeframe contemplated by previous PRC-005 implementation plans. However, the proposed approach advances reliability by: (1) allowing entities sufficient time to develop comprehensive Protection System Maintenance Programs to address all new applicable systems, thereby decreasing the number of opportunities for misidentified and missed devices across successive program revisions and across multiple compliance schedules; (2) promoting the efficient use of entity and ERO Enterprise resources by eliminating the need to create and audit multiple, successive revisions to entity Protection System Maintenance Programs; and (3) providing NERC additional time to provide additional education and outreach to industry regarding the implementation of this important Reliability Standard.”

In short, NERC maintains that this approach will:

- simplify and streamline the implementation process, with only a slight delay in the compliance deadlines associated with the testing and maintenance requirements for newly-applicable systems,
- result in fewer errors, omissions, and misidentified devices when setting up maintenance programs
- decrease the potential for confusions and missed device testing when implementing the maintenance programs
- promote the efficient use of both registered entity and ERO Enterprise resources, and
- allow NERC additional time to conduct outreach and provide training on the revised protection system maintenance standard.

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

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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

The information collection requirements are unique to this reliability standard and to this information collection. The Commission does not know of any duplication in the requirements. In addition, the standard-developing group (the ERO and various stakeholders) thought the issue needed to be addressed, as indicated in the NERC petition.

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 is available in NERC's Rules of Procedure at sections 507 and 508⁸.

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

If this standard and the associated information collection requirements did not exist or were performed less frequently, it would not be possible to ensure that applicable entities are performing required maintenance on devices that could, if not properly maintained, affect the reliability of the Bulk-Power System. This would likely lead to lower system reliability and higher vulnerability and risk, such as transmission system outages and loss of load.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are some special circumstances as described in 5 CFR 1320.5(d)(2) related to this information collection.

⁸ Details of the current ERO Reliability Standard processes are available on the NERC website at http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/Appendix_3A_StandardProcessesManual_20130626.pdf.

Audits are generally performed every three years, so records are generally retained three years or less. However some of the evidence must be retained longer, e.g., if there is an investigation. The Evidence Retention section of the standard follows.

“1.2. Evidence Retention

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.

The Transmission Owner, Generator Owner, and Distribution Provider shall each keep data or evidence to show compliance as identified below unless directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation.

For Requirement R1, the Transmission Owner, Generator Owner, and Distribution Provider shall each keep its current dated PSMP, as well as any superseded versions since the preceding compliance audit, including the documentation that specifies the type of maintenance program applied for each Protection System, Automatic Reclosing, or Sudden Pressure Relaying Component Type.

For Requirement R2, Requirement R3, and Requirement R4, in cases where the interval of the maintenance activity is longer than the audit cycle, the Transmission Owner, Generator Owner, and Distribution Provider shall each keep documentation of the most recent performance of that maintenance activity for the Protection System, Automatic Reclosing, or Sudden Pressure Relaying Component. In cases where the interval of the maintenance activity is shorter than the audit cycle, documentation of all performances (in accordance with the tables) of that maintenance activity for the Protection System, Automatic Reclosing, or Sudden Pressure Relaying Component since the previous scheduled audit date shall be retained.

For Requirement R5 the Transmission Owner, Generator Owner, and Distribution Provider shall each keep documentation of Unresolved Maintenance Issues identified by the entity since the last audit, including all that were resolved since the last audit.”

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, voting, submitting the final draft to the Board for review/approval. When/if the draft standard is approved, NERC submits the standard to the FERC for review.⁹

⁹ Details of the current ERO Reliability Standard processes are available on the NERC website at

In accordance with OMB requirements, the Commission published a 60-day notice¹⁰ in Docket No. IC19-23 on 5/31/2019. The Commission noted that it would be requesting a three-year extension of the public reporting burden. The Commission received no comments.

Additionally, the Commission published a 30-day notice on 8/22/2019¹¹. The Commission received no comments.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

The Commission does not make payments or provide gifts to respondents related to FERC-725P1.

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 and provide access to the Compliance Enforcement Authority (NERC or the Regional Entity). 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.

There are no questions of a sensitive nature that are considered private in FERC-725P1.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

Our estimates of respondents are based on the NERC Compliance Registry, which indicates entities registered as planning coordinators (PC) and generator owner (GO), within the United States. The annual burden and cost are estimated below.

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<http://www.nerc.com> .

¹⁰ 84 FR 25249 (5/31/2019)

¹¹ [84 FR 43798 \(8/22/2019\)](#)

¹² Entities affected by the PRC-005-6 Reliability Standard are registered to serve any of the

	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden Hrs. & Cost Per Response¹³ (4)	Total Annual Burden Hours & Total Annual Cost¹⁴ (3)*(4)=(5)
PRC-005-6 Reliability Standard	996 ¹⁵	1	996	2 hrs.; \$133.80	1,992 hrs.; \$133,265 ¹⁶

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The costs related to the FERC-725P1 are associated with burden hours (labor) and described in #12 and #15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The Regional Entities and NERC do most of the data processing, monitoring, auditing, and compliance work for Reliability Standards. Any involvement by the Commission is covered under the FERC-725 (OMB Control No. 1902-0255) and is not part of this request or package. The data for FERC-725P1 are not submitted to FERC.

The Commission does incur the costs associated with obtaining OMB clearance for the collection under the Paperwork Reduction Act of 1995 (PRA). The PRA Administrative Cost is a Federal 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. This average annual cost includes requests for extensions, all associated rulemakings and orders, other changes to the collection, and associated publications in the Federal Register.

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following roles:

- PC=Planning Coordinators;
- GO=Generator Owners.

Some entities are registered to serve both roles.

¹³ The estimated hourly cost (salary plus benefits) provided in this section is based on the salary figures (http://www.bls.gov/oes/current/naics2_22.htm) and benefits (<http://www.bls.gov/news.release/ecec.nr0.htm>) for May 2017 posted by the Bureau of Labor Statistics for the Utilities sector. The hourly estimates for salary plus benefits are \$66.90/hour based on the Electrical Engineering career (Occupation Code: 17-2071).

¹⁴ Total Annual Cost is rounded-up from \$133,264.80 to \$133,265.

¹⁵ Our estimates for the number of respondents are based on the NERC Compliance Registry showing planning coordinators (PC) and generator owners (GO), within the United States. 20 (PC role only) + 927 (GO role only) + 49 (joint role as PC and GO) = 996 unique entities

¹⁶ This number is rounded from \$133,264.80.

	(FTE)	Federal Cost
Analysis and Processing of filings	0.0	\$0
PRA Administrative Cost ¹⁷		\$4,832
FERC Total		\$4,832

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

The majority of the previous burden estimate was based on one-time reviews, which are now completed, and being removed from FERC-725P1, giving the program reduction. Those one-time reviews included:

- a one-time review of existing plant and substation sites to determine which ones fall under PRC-005-6 and
- one-time review and adjustment of existing program for reclosing relays and associated equipment.

	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	996	2,512	0	-1,516
Annual Time Burden (Hr.)	1,992	14,628	0	-12,636
Annual Cost Burden (\$)	0	0	0	0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There is no publication of data associated with FERC-725P1 information collection.

17. DISPLAY OF EXPIRATION DATE

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

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.

¹⁷ The estimate was updated 7/2019.