

Supporting Statement for
FERC-725I, Mandatory Reliability Standards for the Northeast Power Coordinating Council

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve FERC-725I, (Mandatory Reliability Standards for the Northeast Power Coordinating Council; OMB Control No. 1902-0258) for a three-year period. FERC-725I is an existing Commission data collection.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

In the Energy Policy Act of 2005 (EPAAct 2005), Congress entrusted the Commission with a major new responsibility to oversee mandatory, enforceable Reliability Standards for the Nation's Bulk-Power System (excluding Alaska and Hawaii). This authority is in section 215 of the Federal Power Act (FPA) (16 U.S.C. 824o). Section 215 requires the Commission to select an Electric Reliability Organization (ERO) that is responsible for proposing, for Commission review and approval, Reliability Standards or modifications to existing Reliability Standards to help protect and improve the reliability of the Nation's Bulk-Power System. The Commission has certified the North American Electric Reliability Corporation (NERC) as the ERO. The Reliability Standards apply to the users, owners and operators of the Bulk-Power System and become mandatory and enforceable in the United States only after Commission approval. The ERO also is authorized to impose, after notice and opportunity for a hearing, penalties for violations of the Reliability Standards, subject to Commission review and approval. The ERO may delegate certain responsibilities to Regional Entities, subject to Commission approval.

The Commission may approve proposed Reliability Standards or modifications to previously approved standards if it finds them "just, reasonable, not unduly discriminatory or preferential, and in the public interest."¹ The Commission itself does not have authority to modify proposed standards. Rather, if the Commission disapproves of a proposed standard or modification, section 215 requires the Commission to remand it to the ERO for further consideration. The Commission, upon its own motion or upon complaint, may direct the ERO to submit a proposed standard or modification on a specific matter but it does not have the authority to modify or author a standard and must depend upon the ERO to do so.

Reliability Standards that the ERO proposes to the Commission may include Reliability Standards that are developed by a Regional Entity.² On April 19, 2007, the Commission approved delegation agreements between NERC and eight Regional Entities, including

¹ 16 U.S.C. 824o(d)(3).

² *Id.* § 824o(e)(4).

NPCC.³ In the Delegation Agreement Order, the Commission accepted NPCC as a Regional Entity and accepted NPCC's Standards Development Manual, which sets forth the process for NPCC's development of regional Reliability Standards.⁴ The NPCC region is a less than interconnection-wide region, and its standards apply only to that part of the Eastern Interconnection within the NPCC geographical footprint.

In Order No. 672, the Commission urged uniformity of Reliability Standards, but recognized a potential need for regional differences.⁵ Accordingly, the Commission stated that:

As a general matter, we will accept the following two types of regional differences, provided they are otherwise just, reasonable, not unduly discriminatory or preferential and in the public interest, as required under the statute: (1) a regional difference that is more stringent than the continent-wide Reliability Standard, including a regional difference that addresses matters that the continent-wide Reliability Standard does not; and (2) a regional Reliability Standard that is necessitated by a physical difference in the Bulk-Power System.⁶

The Regional Reliability standard, PRC-006-NPCC-1 — Automatic Underfrequency Load Shedding (UFLS), provides regional requirements for Automatic UFLS for applicable entities in NPCC. UFLS requirements were in place at a continent-wide level and within NPCC for many years prior to the implementation of federally mandated reliability standards in 2007. NPCC and its members believe that a region-wide, fully coordinated single set of UFLS requirements is necessary to create an effective and efficient UFLS program, and their experience has supported that belief.

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

Prior to enactment of section 215 of the Federal Power Act in 2005, FERC had acted primarily as an economic regulator of the wholesale power markets and the interstate transmission grid. In this regard, the Commission acted to promote a more reliable electric system by promoting regional coordination and planning of the interstate grid through regional independent system operators (ISOs) and regional transmission organizations (RTOs).

³ See *North American Electric Reliability Corp.*, 119 FERC ¶ 61,060, at P 316-350 (Delegation Agreement Order), *order on reh'g*, 120 FERC ¶ 61,260 (2007).

⁴ *Id.* P 302.

⁵ *Rules Concerning Certification of the Electric Reliability Organization; Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards*, Order No. 672, FERC Stats. & Regs. ¶ 31,204, at P 290, *order on reh'g*, Order No. 672-A, FERC Stats. & Regs. ¶ 31,212 (2006).

⁶ Order No. 672, FERC Stats. & Regs. ¶ 31,204 at P 291.

The passage of the Energy Policy Act of 2005 added to the Commission's efforts, by giving it the authority to strengthen the reliability of the interstate electric transmission grid through the grant of new authority pursuant to section 215 of the Federal Power Act which provides for a system of mandatory Reliability Standards developed by the ERO, established by FERC, and enforced by the ERO and Regional Entities. As part of FERC's efforts to promote electric transmission grid reliability, the Commission created the Office of Electric Reliability (OER) in 2007. OER oversees the development and review of mandatory Reliability Standards. OER also oversees compliance with the approved mandatory standards by users, owners, and operators of the Bulk Power System, and maintains a situational awareness monitoring tool to provide wide area visibility of the Bulk Power System.

This collection of information involves planning coordinators (PCs) and generator owners (GOs). PCs must gather data, run studies, and analyze study results to design or update the UFLS programs. GOs must set each underfrequency trip relay below the appropriate generator underfrequency trip protection settings threshold curve in regional Reliability Standard PRC-006-NPCC-1, and provide the generator underfrequency trip setting and time delay to its planning coordinator within 45 days of the planning coordinator's request. The consequence of not collecting UFLS program information may impact the safety nets used to preserve the security and integrity of the Bulk-Electric System, otherwise it might lead to instability, uncontrolled separation or Cascading.

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

The approved Reliability Standards do not require information to be filed with the Commission. However, they do contain disclosure and recordkeeping requirements, for which using current technology is an option that may reduce burden compared to not using current technology.

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. Reliability Standards are developed by a collaborative process which requires industry participation. The Commission is unaware of any other source of information similar to the additional requirements.

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

This Reliability Standards do not contain provisions for minimizing the burden of the collection for small entities. All the requirements in the Reliability Standards apply to every applicable entity. However, small entities generally can reduce their burden by taking part in a joint registration organization or a coordinated function registration.⁷ 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 508.⁸

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

FERC-725I data collection is required for statutory purposes and cannot be discontinued or collected less frequently. In the event that an entity experiences a disturbance to their system, failure to provide recording capability that is planned for, approved, tested, and documented could result in non-compliance with the Reliability Standard, leaving the bulk-power system more prone to cascading outages.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances as described in 5 CFR 1320.5(d)(2) relating to this information collection.

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

The ERO process to establish Reliability Standards is a collaborative process with the ERO, Regional Entities and others developing and reviewing drafts, and providing comments, and voting, with the final proposed standard submitted to the FERC for review and approval.⁹

7 In accordance with the NERC Rules of Procedure, NERC registers the organizations responsible for complying with Reliability Standards. The Commission's regulations at 18 CFR 39.2 require each owner, operator, and user of the Bulk Power System to be registered with NERC and to comply with approved Reliability Standards.

8 Available at http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC_ROP_Effective_20140701_updated_20140602.pdf.

9 Details of the ERO standards development process are available on the NERC website at <http://www.nerc.com/docs/standards/sc/>

In accordance with OMB requirements, the Commission published a 60-day notice on 11/25/2019 in the Federal Register (84 FR 64885). 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 on the 60-day notice from the public regarding this information collection.

The Commission will publish a 30-day notice in the Federal Register for public comments.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents associated with the FERC-725I information collection.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

According to the NERC Rules of Procedure¹⁰, "...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

There are no questions of a sensitive nature in the reporting or recordkeeping requirements of the FERC-725I information collection.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

[Standard Processes Manual Approved May 2010.pdf](#)

¹⁰ Section 1502, Paragraph 2, available at NERCs website

As shown in the following table, the Commission estimates the following annual burden¹¹ and cost¹² for this information collection: 254 responses, 2,548 hours, and \$203,840 in hour-related cost.

FERC-725I (Mandatory Reliability Standards for the Northeast Power Coordinating Council)						
Information Collection Requirements	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden Hours & Cost Per Response (4)	Total Annual Burden Hours & Total Annual Cost 3)*(4)=(5)	Cost per Respondent (5)÷(1)
PCs Design and document automatic UFLS program	2	1	2	8 hrs.; \$640	16 hrs.; \$1,280	\$640
PCs update and maintain UFLS program database	2	1	2	16 hrs.; \$1,280	32 hrs.; \$2,560	\$1,280
GOs provide documentation and data to the planning coordinator	125	1	125	16 hrs.; \$1,280	2,000 hrs.; \$160,000	\$1,280

¹¹ Burden is defined as the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. For further explanation of what is included in the information collection burden, refer to 5 CFR 1320.3.

¹² Commission staff estimates that the industry’s skill set and cost (for wages and benefits) for FERC-725I are approximately the same as the Commission’s average cost. The FERC 2019 average salary plus benefits for one FERC full-time equivalent (FTE) is \$167,091/year (or \$80.00/hour).

GOs: record retention	125	1	125	4 hrs.; \$320	500 hrs.; \$40,000	\$320
TOTAL			254		2,548 hrs.; \$203,840	

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no start-up or other non-labor costs associated with the information collection. All other costs are related to burden hours and are discussed in Question 12 and Question 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. (Those burdens are included in FERC-725, OMB Control No. 1902-0225.)

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 Commission does incur the costs associated with obtaining OMB clearance under the Paperwork Reduction Act for this collection. FERC estimates \$4,832 as the annual cost for each collection.

FERC-725I	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of Filings		0
PRA ¹³ Administrative Cost ¹⁴		\$4,832
FERC Total		\$4,832

¹³Paperwork Reduction Act of 1995 (PRA).

¹⁴The 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.

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

The following table shows the total burden of the collection of information. The format, labels, and definitions of the table follow the ROCIS submission system’s “Information Collection Request Summary of Burden” for the metadata.

FERC-725I	Total Request	Previously Approved	Change due to Adjust-ment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	254	302	-48	0
Annual Time Burden (Hr)	2,548	3,044	-496	0
Annual Cost Burden (\$)	0	\$0	0	0

The decrease in the number of responses and hours, and the removal of one of the previously approved IC activities, are reflective of the recent NERC January 2020 entity registration information for US only entities (the previous update included Canadian entities as respondents).

16. TIME SCHEDULE FOR THE PUBLICATION OF DATA

There are no publications of the information.

17. DISPLAY OF THE EXPIRATION DATE

The OMB 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.