

FERC-725M (OMB Control No. 1902- 0263)  
(renewal in Docket No. IC19-32)  
(updated 4/17/2020)

Supporting Statement for  
**FERC-725M<sup>1</sup>, Mandatory Reliability Standard: FAC-003-4, Vegetation  
Management<sup>2</sup>**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve **FERC-725M, Mandatory Reliability Standard: FAC-003-4, Vegetation Management** (OMB Control No. 1902-0263) for a three-year period. FERC-725M is an existing data collection with reporting requirements in 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.<sup>3</sup> 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, 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 established a process to select and certify an ERO and, subsequently, certified the North American Electric Reliability Corporation (NERC) as the ERO.<sup>4</sup>

The North American Electric Reliability Corporation (NERC) submitted a petition<sup>5</sup> and explained that Reliability Standard FAC-003-4 included higher and more conservative values and, therefore, maintained that these revisions would “enhance reliability and provide additional confidence by applying a more conservative approach to determining the vegetation clearing distances.”

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<sup>1</sup> On 10/8/2019, FERC submitted a request to OMB for an emergency extension and reinstatement for the FERC-725M. On 11/4/2019, OMB provided a three-month extension (to 2/29/2020) for the FERC-725M.

<sup>2</sup> Reliability Standard FAC-003-4 (Vegetation Management) is the only Reliability Standard in FERC-725M.

<sup>3</sup> 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).

<sup>4</sup> 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).

<sup>5</sup> NERC Petition at 7 (citing Revisions to Reliability Standard for Transmission Vegetation Management, Order No. 777, 142 FERC ¶ 61,208 (2013))

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On April 26, 2016, a Delegated Letter Order was issued, in Docket No. RD16-4-000, approving proposed Reliability Standard FAC-003-4 (Transmission Vegetation Management). Reliability Standard FAC-003-4 reflected revisions to the Minimum Vegetation Clearance Distances (MVCDs) in Reliability Standard FAC-003-3 based on additional testing regarding the appropriate gap factor to be used to calculate clearance distances for vegetation.

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

FAC-003-4 extends NERC's vegetation management requirements to Generator Owners with qualifying interconnection facilities, including requirements to create and maintain records related to the Generator Owner's vegetation management work plan and performance of inspections. NERC stated<sup>6</sup> that:

When it comes to vegetation management, [the generator interconnection lines] should be treated as though they are transmission lines; the risk of outages from vegetation located on a right-of-way for a generator-owned line is similar to the risk for Transmission Owners.

The documentation, records created and maintained related to vegetation management work plan and performance of inspections, related to vegetation management requirements assists respondents to manage vegetation located on rights-of-way and minimize vegetation encroachments. The documentation further provides a way for auditors to evaluate compliance with this standard.

The purpose of FAC-003-4 is to maintain a reliable electric transmission system by minimizing encroachments from adjacent vegetation, thus preventing the risk of vegetation-related outages that could lead to cascading power outages. (Vegetation contact with transmission lines was a major factor in two significant power blackouts (in the WECC territory in 1996, and the August 2003 Northeast blackout).) If FERC-725M was not collected, it could lead to massive vegetation-related power outages.

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

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<sup>6</sup> 144 FERC ¶ 61,221, [Docket No. RM12-16-000; Order No. 785], September 19, 2013

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The use of current or improved technology and the medium are not covered in Reliability Standards.

We think that nearly all of the respondents are likely to make and keep related records in an electronic format. Each of the six 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.

In general, the Commission supports the use of information technology to reduce burden.

**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.**

Filing requirements are periodically reviewed as OMB review dates arise or as the Commission may deem necessary in carrying out its regulatory responsibilities under the FPA to eliminate duplication and ensure that filing burden is minimized. There are no similar sources for information available that can be used or modified for these reporting purposes.

**5. 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 Rules of Procedure at Sections 507 and 508.<sup>7</sup>

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

Based on information from industry and the Commission, the Reliability Standard and requirements covered by FERC-725M are critical and essential to the Commission's

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<sup>7</sup>NERC Rules of Procedure Sections 507 and 508 are available at:  
[https://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC\\_ROP\\_Effective\\_20190125.pdf](https://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC_ROP_Effective_20190125.pdf).

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mission. The Reliability Standard requires information to be collected quarterly and annually, see item 12 below. If the Reliability Standard and related FERC-725M information were not required or collected less frequently, it could jeopardize the reliability of the nation's Bulk Power System and lead to additional sustained power outages and to public harm.

## **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.

Requirements R1 and R2 require that vegetation be managed on a real-time basis to prevent vegetation encroachment inside the flash-over clearance of applicable transmission lines. These requirements may require entities to review or produce documentation more often than quarterly, for example, real-time operator logs and voice recordings may be necessary to review to mitigate the cause of a vegetation outage. Some entities may have to retain information for longer than three years if directed by its Compliance Enforcement Authority to retain specific evidence for a longer period of time as part of an investigation.

These special circumstances are necessary to ensure reliability on the bulk power system.

## **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, with the final proposed standard submitted to the FERC for review and approval.<sup>8</sup>

In accordance with OMB requirements, the Commission published a 60-day notice<sup>9</sup> to the public regarding this information collection on 8/27/2019. Within the public notice, the Commission noted that it would be requesting a three-year extension of the public reporting burden with no change to the existing requirements concerning the collection of data. The Commission received no comments regarding this information collection.

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<sup>8</sup> Details of the current ERO standard processes are available on the NERC website at <http://www.nerc.com/pa/Stand/Resources/Documents/Appendix3AStandardsProcessesManual.pdf>

<sup>9</sup> 84 FR 44891

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In addition, the Commission is also publishing a 30-day notice for public comment.

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

There are no payments or gifts to FERC-725M respondents.

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

Responding entities do not submit the information to FERC. Rather, they submit the information to NERC, the regions, or maintain it internally. Since there are no submittals made to FERC, FERC provides no specific provisions to protect confidentiality.

According to the NERC Rules of Procedure section 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 or retained for NERC or Regional Entities.

## **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**

The Commission does not consider any of the questions within the FERC-725M of a sensitive nature that would be considered private.

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

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The Commission estimates the annual public reporting burden<sup>10</sup> and cost<sup>11</sup> for the information collection as:

<b>FERC-725M, Mandatory Reliability Standard: FAC-003-4 (Transmission Vegetation Management)</b>						
	<b>Number of Respondents<sup>12</sup> (1)</b>	<b>Annual Number of Responses per Respondent (2)</b>	<b>Total Number of Responses (1)*(2)=(3)</b>	<b>Average Burden Hours &amp; Cost (\$) Per Response (4)</b>	<b>Total Annual Burden Hours &amp; Total Annual Cost (\$) (3)*(4)=(5)</b>	<b>Cost per Respondent (\$) (5)÷(1)</b>
Generator Owners, Regional Entities: Quarterly Reporting (Compliance 1.4)	101 <sup>13</sup>	4	404	0.25 hrs.; \$17.00	101 hrs.; \$6,868.00	\$68.00

<sup>10</sup> 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. See 5 CFR 1320 for additional information on the definition of information collection burden.

<sup>11</sup>The estimated hourly cost (wages plus benefits) are based on the figures for May 2018 posted by the Bureau of Labor Statistics for the Utilities sector (available at [https://www.bls.gov/oes/current/naics2\\_22.htm](https://www.bls.gov/oes/current/naics2_22.htm)) and updated March 2019 for benefits information (at <http://www.bls.gov/news.release/ecec.nr0.htm>). The hourly estimates for salary plus benefits are:

- Manager (code 11-0000), \$95.24
- Information and Records Clerks (code 43-4199), \$40.84
- Electrical Engineer (code 17-2071), \$68.17

The average hourly cost (wages plus benefits) for this collection is \$68.08 [(\$95.24 + \$40.84 + \$68.17)/3 = \$68.08].and is rounded to \$68.00 an hour.

<sup>12</sup> According to the NERC Compliance Registry as of July 26, 2019, there are 946 generator owners and 328 transmission owners registered in North America. We estimate that approximately 10 percent (or 95) of these generator owners have interconnection facilities that are applicable to the standard.

<sup>13</sup> The estimated number of respondents (101) includes 95 generator owners and 6 Regional Entities.

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Generator Owners: Annual Veg. Inspect. Doc. (M6); Work Plan (M7); Evidence of Mgt. of Veg. (M1 & M2); Confirmed Veg. Condition (M4); & Corrective Action (M5)	95	1	95	2 hrs.; \$136.00	190 hrs.; \$12,920.00	\$136.00
Generator Owners, Transmission Owners: Record Retention (Compliance 1.2)	423	1	423	1 hr.; \$68.00	423 hrs.; \$28,764.00	\$68.00
<b>TOTAL</b>			<b>922</b>		<b>714 hrs.:</b> <b>\$48,552.00</b>	

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

There are no non-labor start-up costs. All costs are related to burden hours and are addressed in Questions #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-725M 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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	<b>Number of Employees (FTEs)</b>	<b>Estimated Annual Federal Cost</b>
PRA <sup>14</sup> Administration Cost <sup>15</sup>	-	\$4,832
Data Processing and Analysis <sup>16</sup>	0	\$0
<b>FERC Total</b>		<b>\$4,832</b>

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

The changes in burden are necessary to ensure we are:

- 1) Adjusting the burden in FAC-003-4 to reflect the latest number of applicable entities based on the NERC Compliance Registry as of July 26, 2019. According to the NERC Compliance Registry as of July 26, 2019, there are 946 generator owners and 328 transmission owners registered in North America. We estimate that approximately 10 percent (or 95) of these generator owners have interconnection facilities that are applicable to the standard.
- 2) Making a program change to remove all “one-time” burden which has been completed. The total number of burden hours being reduced in FERC-725M is 1,517 burden hours:
  - a. removing 552 hours of burden due to Docket No. RD16-4. The ongoing burden left in RD16-4 for FERC-725M is 414 hours.
  - b. we are removing 965 hours of burden due to Docket No. RM12-16. The ongoing burden left in RM12-16 for FERC-725 is 365 hours.

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<sup>14</sup> Paperwork Reduction Act of 1995 (PRA).

<sup>15</sup> The PRA Administration Cost is \$4,832, and includes preparing supporting statements, notices, and other activities associated with Paperwork Reduction Act compliance.

<sup>16</sup> Commission staff estimates that the industry’s skill set and cost (for wages and benefits) for FERC-725M are approximately the same as the Commission’s average cost. Based upon FERC’s 2019 average salary plus benefits of one full-time equivalent (FTE): \$167,091 per year.



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The one-time burden hour removal for FERC-725M is (552 hours + 965 hours) 1,517 hours. The ongoing burden for FERC-725M before the adjustment based on NERC Compliance Registry is 779 hours. FERC is making adjustments from the overestimate to show new ongoing burden as 714.

The following table shows the total burden for 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.

<b>FERC-725M</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	922	510	95	317
Annual Time Burden (Hr.)	714	2,296	-1,481	-101
Annual Cost Burden (\$)	-	-	-	-

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

There are no data publications.

**17. DISPLAY OF 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.