Supporting Statement

**FERC-725A, FERC-725A(1C), FERC-725G1, and FERC-725Z, as proposed to be modified by the NOPR in Docket Nos. RM19-16 and RM19-17 (issued January 23, 2020)**

The Federal Energy Regulatory Commission (Commission or FERC) requests OMB review and approval of the changes to reporting and recordkeeping requirements, as proposed in the Notice of Proposed Rulemaking (NOPR) (Electric Reliability Organization Proposal to Retire Requirements in Reliability Standards Under the NERC Standards Efficiency Review) in Docket Nos. RM19-16 and RM19-17. The petitions in these dockets were submitted on June 7, 2019 and have been consolidated for contemporaneous consideration in the NOPR. The Federal Energy Regulatory Commission requests the Office of Management and Budget (OMB) review and approve the proposed revisions to:

1. FERC-725A (Mandatory Reliability Standards for the Bulk-Power System), OMB Control No. 1902-0244
2. FERC-725A(1C) (Mandatory Reliability Standards for Bulk-Power System: Reliability Standard TOP-001-4), OMB Control No. 1902-0298
3. FERC-725G1 Reliability Standards for the Bulk Power System: Reliability Standard PRC-004-5(i)), OMB Control No. 1902-0284
4. FERC-725Z (Mandatory Reliability Standards: IRO Reliability Standards), OMB Control No. 1902-0276

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

**Background**

On August 8, 2005, The Electricity Modernization Act of 2005, Title XII of the Energy Policy Act of 2005 (EPAct of 2005), was enacted into law[[1]](#footnote-2). EPAct of 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, subject to Commission review and approval.

Section 215 of the FPA requires the Commission-certified ERO to develop mandatory and enforceable Reliability Standards, subject to Commission review and approval. Once approved, the Reliability Standards may be enforced in the United States by the ERO subject to Commission oversight, or by the Commission independently. Pursuant to the requirements of FPA section 215, the Commission established a process to select and certify an ERO**[[2]](#footnote-3)** and, subsequently, certified the North American Electric Reliability Corporation (NERC) as the ERO.

**Justification**

Pursuant to section 215(d)(2) of the FPA,**[[3]](#footnote-4)** the Commission proposes to retire 74 of the 77 Reliability Standard requirements requested for retirement by the NERC.[[4]](#footnote-5)  As explained in NERC’s two petitions, the 74 requirements proposed for retirement: (1) provide little or no reliability benefit; (2) are administrative in nature or relate expressly to commercial or business practices; or (3) are redundant with other Reliability Standards. NERC’s justifications for retiring the 74 requirements are largely consistent with the Commission-approved basis for retiring Reliability Standard requirements articulated in prior proceedings. The Commission also proposes to approve the associated violation risk factors, violation severity levels, implementation plan, and effective dates proposed by NERC.

NERC states that the proposed retirements are the product of its Standards Efficiency Review (SER) Project, launched in 2017 “to achieve [NERC’s] long-term strategic goal of establishing risk-based controls to minimize [Bulk-Power System] reliability risk while also driving operational efficiencies and effectiveness.”**[[5]](#footnote-6)** NERC states that in Phase 1 of the SER Project, teams of industry experts conducted a risk-based analysis of non-CIP Reliability Standards.**[[6]](#footnote-7)** NERC explains that the purpose of this review was “to identify Reliability Standard requirements that provide little or no benefit to reliability and should be retired.”**[[7]](#footnote-8)** NERC maintains that, unlike the periodic reviews**[[8]](#footnote-9)** of Reliability Standards performed by NERC pursuant to the NERC Rules of Procedure, the SER Project involved “exploring the relationships between the different Reliability Standards in a deeper way than would be feasible during a targeted periodic review and allowed NERC to identify requirements that are not necessary for reliability or that are redundant to other requirements.”**[[9]](#footnote-10)** NERC states that the SER Project “was conducted in an open and transparent manner, with broad industry participation.”**[[10]](#footnote-11)**

The Commission believes that the proposed retirements will further the efficiency of the Reliability Standards program by reducing duplicative or otherwise unnecessary regulatory burdens. Further, we agree with NERC that the retirement of the Reliability Standard requirements will benefit overall reliability by allowing registered entities to focus their resources on complying with those Reliability Standard requirements that more effectively promote the reliable operation and planning of the nation’s bulk-power system.**[[11]](#footnote-12)** With respect to two requirements that NERC proposes to retire, the Commission seeks more information regarding NERC’s justification for retiring Requirements R7 and R8 of Reliability Standard FAC-008-3. As discussed below, while it asserts that the two requirements are redundant of other Reliability Standards, NERC does not address how certain elements of these requirements do not appear to be redundant of other Reliability Standards or requirements. The Commission’s final determination on the retirement of these two requirements will be based on the comments received from NERC and the industry. Finally, the Commission is not persuaded that Requirement R2 of Reliability Standard VAR-001-5 is redundant or otherwise unnecessary for reliability. Therefore, pursuant to section 215(d)(4) of the FPA, the Commission proposes to remand proposed Reliability Standard VAR-001-6 so that Requirement R2 can be retained in the current version of that Reliability Standard.**[[12]](#footnote-13)**

**IRO, TOP, and VAR Petition (Docket No. RM19-16-000)**

This petition proposed new versions of three Reliability Standards: IRO-002-7 (Reliability Coordination—Monitoring and Analysis), TOP-001-5 (Transmission Operations), and VAR-001-6 (Voltage and Reactive Control) that, if approved, would result in the retirement of four requirements from the currently-effective versions of the Reliability Standards.**[[13]](#footnote-14)** In particular, three of the existing requirements in Reliability Standards IRO-002 and TOP-001 require the reliability coordinator, transmission operator, and balancing authority to have data exchange capabilities with entities having data needed to perform operational planning analyses and to develop operating plans for next-day operations. The fourth requirement, in Reliability Standard VAR-001, requires the transmission operator to schedule the reactive resources needed to regulate voltage levels under normal and contingency conditions. NERC contends that these four requirements are redundant and not necessary “because the performance required by these requirements is inherent to the performance of other Reliability Standard requirements.”[[14]](#footnote-15)

NERC maintains that the data exchange capability requirement in Reliability Standard IRO-002-5, Requirement R1 is covered by Reliability Standard IRO-008-2, Requirement R1, which obligates the reliability coordinator to perform operational planning analyses to assess whether the planned operations for the next-day will exceed System Operating Limits and Interconnection Reliability Operating Limits within its Wide Area. NERC asserts that “to perform the required operational planning analyses, the Reliability Coordinator must have the data it deems necessary from those entities that possess it.”

Additionally, regarding data exchange, NERC cites Reliability Standard IRO-010-2 (Reliability Coordinator Data Specification and Collection) and its stated purpose of preventing instability, uncontrolled separation, or cascading outages “by ensuring the Reliability Coordinator has the data it needs to monitor and assess the operation of its Reliability Coordinator Area.” NERC states that under Reliability Standard IRO-010-2, Requirements R1, R2 and R3, the reliability coordinator must specify the data necessary for it to perform its operational planning analyses and provide the specifications to the entities from which it needs data who then must comply with the data request using a mutually agreeable format and security protocols.

NERC observes that the performance of the requirements it cites is premised on the existence of data exchange capabilities, regardless of whether a separate requirement expressly requires the reliability coordinator to have data exchange capabilities in place. Further, NERC asserts that Reliability Standard IRO-002-5, Requirement R1 provides no additional reliability benefit and is therefore unnecessary and redundant and should be retired.

Also, NERC states that Requirements R19 and R22 of Reliability Standard TOP-001-4 merely require transmission operators and balancing authorities respectively to have data exchange capabilities with entities from which they need data to perform operational planning analyses (transmission operators) and next-day Operating Plans (balancing authorities). NERC maintains, however, that Reliability Standard TOP-002-4 Requirement R1, requires a transmission operator to perform a operational planning analyses to determine whether next-day operations within its area will exceed System Operating Limits. Also, NERC states that Requirement R4 requires each balancing authority to have a next-day Operating Plan addressing expected generation resource commitment and dispatch, Interchange scheduling and related matters. NERC asserts that to satisfy these requirements, each transmission operator and balancing authority must have the data it deems necessary from those entities that possess it.

NERC also cites to Reliability Standard TOP-003-3 (Operational Reliability Data) whose purpose is to ensure that the transmission operator and balancing authority have data needed to fulfill their operational and planning responsibilities. NERC contends that the requirements in Reliability Standard TOP-003-3 largely mirror the requirements in Reliability Standard IRO-010-2 discussed above, and thus, as with Reliability Standard IRO-010-2, transmission operators and balancing authorities must have data exchange capabilities with its reporting entities to satisfy the requirements of Reliability Standard TOP-003-3. Therefore, NERC contends that Requirements R19 and R22 of Reliability Standards TOP-001-4 are unnecessary and redundant and should be retired.

With respect to proposed revised Reliability Standard VAR-001-6, NERC states that the revised version retires existing requirement R2, which requires each transmission operator to schedule “sufficient reactive resources to regulate voltage levels under normal and Contingency conditions.” NERC contends that the reliability need for sufficient reactive resources is adequately addressed by existing requirements in several other Reliability Standards and, therefore, is unnecessary. NERC states that Reliability Standards TOP-001-4, Requirement R10 and TOP-002-4, Requirement R1, require transmission operators to determine System Operating Limits and perform an operational planning analyses to assess whether planned next-day operations will exceed those limits and, if so, how to mitigate those exceedances. NERC explains that Reliability Standard TOP-001-4 requires each transmission operator to perform Real-time Assessments every 30 minutes to identify possible System Operating Limit exceedances and initiate its Operating Plan to mitigate them. NERC states that Operating Plans address the use of reactive resources to ensure that System Operating Limits are maintained, as well as any other adjustments that may be needed.

NERC observes that each transmission operator uses multiple tools to regulate voltage levels, including reactive control and Real-time Contingency Analysis, that allow the transmission operator to quantify the use of reactive resources. Therefore, a separate requirement specifying that the transmission operator must schedule a certain amount of reactive resources for normal and Contingency conditions is redundant and unnecessary for reliability. Additionally, NERC states that each planning authority and transmission planner must assess a broad range of conditions and probable contingencies, including available reactive resources, under system studies required under Reliability Standard TPL-001-4, and develop a Corrective Action Plan**[[15]](#footnote-16)** to address reactive resource shortfalls, if needed. NERC concludes that, given this comprehensive and interdependent framework addressing system voltage needs in the operations and planning horizons, there is no need to have a separate requirement expressly requiring the transmission operator to schedule enough resources.

NERC requests that the Commission approve the implementation plan, attached to NERC’s petition as Exhibit B, and the associated violation risk factors and violation severity levels described in Exhibit D. The implementation plan provides that proposed Reliability Standards IRO-002-7, TOP-001-5, and VAR-001-6 would become effective on the first day of the first calendar quarter that is three months after regulatory approval. The currently-effective versions of the Reliability Standards would be retired immediately prior to the effective date of the revised Reliability Standards. NERC explains that the requested timeline accounts for the time entities will need to update their systems and related documentation.

**FAC, INT, MOD and PRC Petition (Docket No. RM19-17-000)**

In this petition, NERC submitted for Commission approval the proposed retirement of ten currently-effective Reliability Standards in their entirety without replacement.**[[16]](#footnote-17)** Additionally, NERC’s petition includes four proposed revised Reliability Standards reflecting the retirement of certain requirements from the currently-effective versions that NERC asserts are not needed for reliability: FAC-008-4 (Facility Ratings), INT-006-5 (Evaluation of Interchange Transactions), INT-009-3 (Implementation of Interchange) and PRC-004-6 (Protection System Misoperation Identification and Correction).**[[17]](#footnote-18)** NERC asserts that its proposed retirements would not adversely impact reliability, but rather they “would benefit reliability by allowing entities to focus their resources on those Reliability Standard requirements that promote the reliable operation and planning of the BPS [Bulk-Power System] and avoid unnecessary regulatory burden.”**[[18]](#footnote-19)**

NERC contends that the FAC, INT, MOD and PRC Reliability Standards proposed for retirementare not necessary and that removing them would not adversely affect reliability.**[[19]](#footnote-20)** NERC states that retirement of the ten Reliability Standards in their entirety is justified because they are primarily administrative in nature or largely related to commercial or business practices, and therefore no longer serve a reliability purpose. For example, NERC states that the transfer capability assessment required under Reliability Standard FAC-013-2 serves only a market function and is not an indicator of bulk electric system reliability. NERC supports its conclusion that Reliability Standard INT-010-2.1 primarily relates to commercial and business practices by noting that in 2013 the NERC Independent Experts Review Panel recommended retiring the previous version of the Reliability Standard due to overlap with the NAESB Electronic Tagging Functional Specification.

Similarly, regarding the MOD Reliability Standards, NERC states that “[Available Transfer Capability] and [Available Flowgate Methodology], as well as e-Tags, are commercially-focused elements facilitating interchange and balancing of interchange,” and that system operators maintain reliability by monitoring Real-time flows based on System Operating Limits and Interconnection Reliability Operating Limits.[[20]](#footnote-21) In particular, NERC explains that information on Interruptible Demands and Direct Control Load Management required under Reliability Standard MOD-020-0 is not useful for transmission operators and reliability coordinators, who must plan and operate the [Bulk-Power System] within System Operating Limits and Interconnection Reliability Operating Limits under the TOP and IRO Reliability Standards.

Regarding NERC’s proposed revised Reliability Standards, NERC states that the data provision obligations of currently-effective Reliability Standard FAC-008-3, Requirements R7 and R8 are redundant with Reliability Standards MOD-032-1, IRO-010-2 and TOP-003-3. Additionally, NERC asserts that Requirements R3.1, R4 and R5 of currently-effective Reliability Standard INT-006-4 provide little, if any, benefit to the reliable operation of the [Bulk-Power System] and that the substance of Requirements R4 and R5 relate to commercial or business practices and are better addressed through the balancing authority’s e-Tag Authority Service. Also, NERC states that Requirement R1 of currently-effective Reliability Standard INT-009-2.1 is being revised to remove the reference to Reliability Standard INT-010, which is also proposed for retirement, and Requirement R2 is redundant with Reliability Standard BAL-005-1, Requirement R7. Finally, NERC determined that rather than the “specific, recurring and inflexible timeframe” set forth in Requirement R4 of currently-effective Reliability Standard PRC-004-5 for identifying the cause of a protection system misoperation, it would be more effective to have entities investigate the causes of misoperations according to their own internal control policies and procedures.

NERC requests that the Commission approve the implementation plan, attached to NERC’s petition as Exhibit B, and the associated violation risk factors and violation severity levels, attached to NERC’s petition as Exhibit D, which are generally unchanged from the currently-effective versions. NERC proposes that the Reliability Standards retired in their entirety become effective immediately upon regulatory approval. NERC also seeks to retire the currently-effective Reliability Standards FAC-008-3, INT-006-4, INT-009-2.1, and PRC-004-5(i) immediately prior to the effective date of their new versions.

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

NERC’s justifications for retiring the 74 requirements are consistent with the Commission-approved bases for retiring Reliability Standard requirements articulated in prior proceedings, including the Commission’s determination that the proposed retirements will promote the efficiency of the Reliability Standards program by reducing duplicative or otherwise unnecessary regulatory burdens. Further, the retirement of the Reliability Standard provisions will benefit overall reliability by allowing registered entities to focus their resources on complying with those Reliability Standard requirements that more effectively promote the reliable operation and planning of the nation’s bulk-power system. Therefore, because the Reliability Standards and requirements proposed for retirement have been found to be no longer necessary, the related information collection requirements no longer serve any purpose.

1. **DESCRIBE ANY CONSIDERATION OF THE USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN AND THE 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 respondent. Also, as explained above, the proposed retirement of Reliability Standards and requirements in the NOPR would eliminate the related regulatory burdens.

1. **DESCRIBE EFFORTS TO IDENTIFY DUPLICATON 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.**

As explained above, the NOPR proposes to retire certain Reliability Standards and requirements and related information collection requirements determined to be no longer needed for reliability. Accordingly, the information collection requirements for the remaining, active Reliability Standards and requirements are unique to them and not duplicative of those proposed for retirement in the NOPR.

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

By proposing to retire ten Reliability Standards and a total of 74 Reliability Standard requirements, the NOPR would reduce the burden on both large and small entities because it is eliminating associated information collection requirements.

For the Reliability Standards and Requirements not proposed for retirement in the NOPR, there are options for small entities to reduce their burden is by joining a joint registration organization or a coordinated function registration. These options allow an entity to share its compliance burden with other similar entities. Detailed information regarding these options is available in NERC’s Rules of Procedure at section 1502.2, available on NERCs website.

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

In general, information collection requirements in Reliability Standards and requirements help maintain Bulk-Power System reliability. The Commission believes that the elimination of unnecessary requirements proposed in the NOPR could strengthen the Reliability Standards program and benefit overall reliability by allowing registered entities to focus their resources on complying with those Reliability Standard requirements that more effectively promote the reliability operation and planning of the nation’s Bulk-Power System.

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

There are no special circumstances as described in 5 CFR 1320.5(d)(2) related to this proposed rule.

1. **DESCRIBE EFFORTS TO CONSULT OUTSIDE THE AGENCY: SUMMARIZE PUBLIC COMMENTS AND THE AGENCY’S RESPONSE TO THESE COMMENTS**

The ERO process to develop Reliability Standards or, as with the NOPR, develop proposed Reliability Standard retirements, is a collaborative process involving the ERO, Regional Entities and other stakeholders developing and reviewing drafts, and providing comments, with the final proposed standard or action submitted to the FERC for review and approval.**[[21]](#footnote-22)** In addition, 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 collection of data. The NOPR was published in the Federal Register on February 6, 2020 (85 FR 6831).

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

The Commission has not, and does not, make payments or provide gifts to respondents associated with or related to the information collection obligations addressed in the NOPR.

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

The NOPR is proposing to eliminate certain Reliability Standards and requirements (within FERC-725A, FERC-725A(1C), FERC-725G1, and FERC-725Z) that are unnecessary or redundant.

For the remaining requirements which are unaffected by the NOPR, generally non-FERC Compliance Enforcement Authorities monitor and audit. Each Reliability Standard identifies the Compliance Enforcement Authorities and describes the treatment of the records.

On the rare occasion that FERC may receive copies of or obtain access to these records, the Commission has in place procedures to prevent the disclosure of sensitive information, such as the use of protective orders and rules establishing critical energy infrastructure information (CEII). In addition, information provided with a filing may be submitted with a specific request for confidential treatment to the extent permitted by law and considered pursuant to 18 C.F.R. 388.112 of FERC's regulations.

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 requirements.

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

The Commission estimates that the proposed rule will result in a total reduction in burden for industry of 151,340.2 hours. As a result of the different standards being implemented and submitted to OMB at different times over several years (with hourly cost estimates for that period of time) for the various collections, there will not be any annual cost burden calculations for this supporting statement. All the PRA-related costs due to this NOPR in RM19-16 and RM19-17 are associated with burden hours (labor). The Commission based the burden reduction estimates on staff experience, knowledge, and expertise.

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| **Proposed Reductions Due to NOPR in Docket Nos. RM19-16 & RM19-17****[[22]](#footnote-23)** |
| **Reliability Standard & Requirement** | **Type[[23]](#footnote-24)and Number of Entity**(1) | **Number of Annual Responses Per Entity****(**2) | **Total Number of Responses****(1) \*(2) = (3)** | **Average Number of Burden Hours per Response****(4)** | **Total Burden Hours****(3) \*(4) = (5)** |
| **FERC-725A** |
| FAC-013-2 | RC (12) | 8.33 | 100 | 26.67 | 2,667 |
| INT-006-4 R3.1, R4, R5, R5.1, R5.2, R5.3, R5.4, R5.5 | BA/TSP (171) | 1 | 171 | 56.3 | 9,627 |
| INT-004-3.1 | BA (99) | 1 | 99 | 56.3 | 5,574 |
| INT-010-2.1 | BA (99) | 1 | 99 | 56.3 | 5,574 |
| INT-009-2.1 R2 | BA (99) | 1 | 99 | 56.3 | 5,574 |
| MOD-001-1a | TOP/TSP (240) | 2 | 480 | 55.3 | 26,544 |
| MOD-004-1 | TOP (168) | 1 | 168 | 48.9 | 8,215.2 |
| MOD-008-1 | TOP (168) | 1 | 168 | 48.9 | 8,215.2 |
| MOD-028-2 | TOP/TSP (240) | 1 | 240 | 48.9 | 11,736 |
| MOD-020-0 | TP/RP/DP/BA (780) | 1 | 780 | 14.4 | 11,232 |
| MOD-029-2a | TOP/TSP/TP/ BA (533) | 1 | 533 | 49.8 | 26,543 |
| MOD-030-3 | TOP/TSP/TP/ BA (533) | 1 | 533 | 49.8 | 26,543 |
| **Sub-Total for FERC-725A** | **3,142** |  | **3,470** |  | **148,044.4** |
| **FERC-725A(1C)** |
| TOP-001-4 R19 & R22 | BA/TO/GO/DP (1,696) | .25 | 422 | .8 | 337.6 |
| **Sub-Total for FERC-725A(1C)** | **1,696** |  | **422** |  | **337.6** |
| **FERC-725G1** |
| PRC-004-5(i) R4 | TO/GO/DP (1,597) | .41 | 659 | 4.36 | 2,874.6 |
| **Sub-Total for FERC-725G1** | **1,597** |  | **659** |  | **2,874.6** |
| **FERC-725Z** |
| IRO-002-6 R1 | RC (12) | 1.17 | 14 | 5.97 | 83.6 |
| **Sub-Total for FERC-725Z** | **12** |  | **14** |  | **83.6** |
| **Total Proposed Reductions Due to NOPR in RM19-16 & RM19-17** |  |  | **4,565** |  | **151,340.2** |

1. **ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

All the PRA-related costs due to this NOPR in RM19-16 and RM19-17 are associated with burden hours (labor) and described in Questions #12 and #15. There are no capital or start-up costs related to the information collections. All costs are related to burden hours.

1. **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-725A (OMB Control No. 1902-0244). The data for FERC-725A, FERC-725A(1C), FERC-725G1, and FERC-725Z are not submitted to FERC.

The Commission does incur the costs associated with obtaining OMB clearance for the four collections 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. It is an estimated $4,832 per ICR or $19,328 for the four collections (OMB Control Nos.) affected by the NOPR.

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|  | **Number of Employees (FTEs) or Number of Hours** | **Estimated Annual Federal Cost** |
| Analysis and Processing of filings | 0 | $00,000 |
| PRA[[24]](#footnote-25) Administrative Cost |  | $19,328 |
| **FERC Total** | $19,328 |

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

The Commission believes that the proposed retirements of Reliability Standards and requirements will reduce burden and cost for all affected entities. The Commission estimates the total reduction in industry burden for all entities (large and small) to be 151,340.2 hours (or approximately 33 hours, rounded, per response). The decrease in the number of responses and hours, and the removal of all or parts of reliability standards is reflected in the tables below for each Collection affected. FAC-013-2 within 725A was completely removed on this submission; as a result, 100 of the remaining responses were also reduced. The number of responses for the proposed retirement of reliability standards or requirements in FERC-725A, G1, A(1C), and 725Z are not affected by this NOPR. Therefore, we are being conservative and not removing the responses discussed in Question 12 (and Footnote 22) and shown in the tables below in the supporting statement; we are only removing the associated burden hours proposed for retirement.22

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| **FERC-725A** | **Total Request** | **Change Due to Agency Discretion** | **Change due to Adjustment in Estimate** | **Previously Approved** |
| Annual Number of Responses | 2,466 | -100 | 0 | 2,566 |
| Annual Time Burden (Hr.) | 1,321,677 | -148,044 | 0 | 1,469,721 |
| Annual Cost Burden ($) | $126,725 | $0 | $0 | $126,725 |

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| --- | --- | --- | --- | --- |
| **FERC-725A(1C)** | **Total Request** | **Change Due to Agency Discretion** | **Change due to Adjustment in Estimate** | **Previously Approved** |
| Annual Number of Responses | 422 | 0 | 0 | 422 |
| Annual Time Burden (Hr.) | 3,038 | -338 | 0 | 3,376 |
| Annual Cost Burden ($) | $0 | $0 | $0 | $0 |

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| **FERC-725G1** | **Total Request** | **Change Due to Agency Discretion** | **Change due to Adjustment in Estimate** | **Previously Approved** |
| Annual Number of Responses | 659 | 0 | 0 | 659 |
| Annual Time Burden (Hr.) | 11,623 | -2,875 | 0 | 14,498 |
| Annual Cost Burden ($) | $0 | $0 | $0 | $0 |

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| **FERC-725Z** | **Total Request** | **Change Due to Agency Discretion** | **Change due to Adjustment in Estimate** | **Previously Approved** |
| Annual Number of Responses | 6,686 | 0 | 0 | 6,686 |
| Annual Time Burden (Hr.) | 50,083 | -84 | 0 | 50,167 |
| Annual Cost Burden ($) | $0 | $0 | $0 | $0 |

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

There is no publication of data associated with FERC-725A, FERC-725A(1C), FERC-725G1, and FERC-725Z information.

1. **DISPLAY OF EXPIRATION DATE**

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

1. **EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There are no exceptions. The Commission does not use statistical methods for these collections. Therefore, the Commission does not certify that the collections use statistical methods.

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 (2006). [↑](#footnote-ref-2)
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). [↑](#footnote-ref-3)
3. 16 U.S.C. 824o(d)(2). [↑](#footnote-ref-4)
4. The proposed retirements will result in the elimination of 10 Reliability Standards and the modified versions of another seven Reliability Standards. [↑](#footnote-ref-5)
5. Docket No. RM19-16-000 Petition at 3; Docket No. RM19-17-000 Petition at 4. [↑](#footnote-ref-6)
6. NERC states that Phase 2 of the SER Project will “consider recommendations for Reliability Standard revisions that would further improve the efficiency of the body of NERC Reliability Standards, such as through consolidation of Reliability Standard requirements . . . [and will] consider recommendations for standards-based improvements that would further reduce inefficiencies and promote effectiveness.” Docket No. RM19-16-000 Petition at 6-7; Docket No. RM19-17-000 Petition at 7. [↑](#footnote-ref-7)
7. Docket No. RM19-16-000 Petition at 5; Docket No. RM19-17-000 Petition at 6. [↑](#footnote-ref-8)
8. The NERC Rules of Procedure require a periodic review of each Reliability Standard; and they provide for a five-year cyclical review of Reliability Standards approved by the American National Standards Institute (ANSI) and ten-year cyclical review for Reliability Standards not approved by ANSI. *See* NERC Rules of Procedure, Section 317 and Appendix 3A (Standards Process Manual), section 13.0. [↑](#footnote-ref-9)
9. Docket No. RM19-16-000 Petition at 5; Docket No. RM19-17-000 Petition at 6. [↑](#footnote-ref-10)
10. Docket No. RM19-16-000 Petition at 5-6; Docket No. RM19-17-000 Petition at 7. [↑](#footnote-ref-11)
11. *See* NERC, Docket No. RM19-17-000, Petition at 7. [↑](#footnote-ref-12)
12. 16 U.S.C. 824o(d)(4). [↑](#footnote-ref-13)
13. The proposed revised versions of the IRO, TOP and VAR Reliability Standards are not attached to the NOPR. The complete text of the Reliability Standards is available on the Commission’s eLibrary document retrieval system in Docket No. RM19-16-000 and is posted on the ERO’s website, *available at* <http://www.nerc.com>. [↑](#footnote-ref-14)
14. NERC IRO, TOP and VAR Petition at 7. [↑](#footnote-ref-15)
15. NERC defines Corrective Action Plan as “A list of actions and an associated time table for implementation to remedy a specific problem.” Glossary of Terms Used in NERC Reliability Standards (August 12, 2019). [↑](#footnote-ref-16)
16. Reliability Standards FAC-013-2 (Assessment of Transfer Capability for the Near-term Transmission Planning Horizon), INT-004-3.1 (Dynamic Transfers), INT-010-2.1 (Interchange Initiation and Modification for Reliability), MOD-001-1a (Available Transmission System Capability), MOD-004-1 (Capacity Benefit Margin), MOD-008-1 (Transmission Reliability Margin Calculation Methodology), MOD-020-0 (Providing Interruptible Demands and Direct Control Load Management Data to System Operations and Reliability Coordinators), MOD-028-2 (Area Interchange Methodology), MOD-029-2a (Rated System Path Methodology), and MOD-030-3 (Flowgate Methodology). [↑](#footnote-ref-17)
17. The proposed revised versions of the FAC, INT and PRC Reliability Standards are not attached to the NOPR. The complete text of the Reliability Standards is available on the Commission’s eLibrary document retrieval system in Docket No. RM19-17-000 and is posted on the ERO’s website, *available at* <http://www.nerc.com>. [↑](#footnote-ref-18)
18. Docket No. RM19-17-000 Petition at 7. [↑](#footnote-ref-19)
19. The MOD A Reliability Standards proposed for retirement (MOD-001-1a, MOD-004-1, MOD-008-1, MOD-028-2, MOD-029-2a and MOD-030-3) are expected to be replaced by equivalent North American Energy Standards Board (NAESB) business practice standards. The Commission intends to coordinate the effective dates of the retirement of the MOD A Reliability Standards with the successor NAESB business practice standards. [↑](#footnote-ref-20)
20. Docket No. RM19-17-000 Petition at 21, [↑](#footnote-ref-21)
21. 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>. [↑](#footnote-ref-22)
22. The tables in the NOPR and in Question 12 (and related estimates in reginfo.gov and ROCIS) provide the burden hours estimated to be reduced by the proposed retirements.

Some of the proposed retirements relate only to specified requirements (R) within one Reliability Standard. (Each OMB Control No. or information collection may contain multiple requirements and/or multiple Reliability Standards.) For those retirements, the NOPR does not affect other requirements of that standard or other standards in the information collection. As a result, for the number of responses, we are being conservative and reducing the number of responses in reginfo.gov and ROCIS as follows.

•For FERC-725A, the proposed reductions will eliminate ten Reliability Standards, and some specified requirements of two additional standards, so we are eliminating 100 responses.

•For FERC-725A(1C), only two requirements of one standard are being eliminated, so we are not eliminating any responses.

•Fer FERC-725G1, only one requirement of one standard is being eliminated, so we are not eliminating any responses.

•For FERC-725Z, the proposed retirement is for one requirement of Rel. Std. IRO-002-6; other requirements of that standard and other standards in FERC-725Z are not affected by this NOPR. [↑](#footnote-ref-23)
23. RC=Reliability Coordinator; BA=Balancing Authority; TSP=Transmission Service Provider; TOP=Transmission Operator; TO=Transmission Owner; GO=Generator Owner; DP=Distribution Provider; TP=Transmission Provider; and RP=Resource Planner [↑](#footnote-ref-24)
24. Paperwork Reduction Act of 1995 (PRA) [↑](#footnote-ref-25)