

Supporting Statement for  
**FERC-725G, Mandatory Reliability Standards for the Bulk-Power System: PRC  
Standards, as modified by  
the Delegated Letter Order (DLO) in Docket No. RD20-1-000**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve FERC-725G, Mandatory Reliability Standards for the Bulk-Power System: PRC Standards under OMB Control Number 1902-0252. FERC-725G is an existing data collection. Regional Reliability Standard PRC-006-NPCC-2 (Automatic Underfrequency Load-Shedding (UFLS)) will be included in FERC-725G at this time.<sup>1</sup>

We are requesting the current OMB expiration date of 8/31/2021.

**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>2</sup>. 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, subject to Commission review and approval.

Section 215 of the FPA requires a Commission-certified ERO to develop mandatory and enforceable Reliability Standards, subject to Commission review and approval.<sup>3</sup> Once approved, the Reliability Standards may be enforced by the ERO subject to Commission oversight or by the Commission independently.<sup>4</sup> In 2006, the Commission certified

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<sup>1</sup> FERC-725I (OMB Control No. 1902-0258) includes Version 1 of the standard. FERC-725I was pending review at OMB for regular renewal review and only one item per OMB control number can be pending at a time. Therefore, we are temporarily double counting that burden.

<sup>2</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 (2006).

<sup>3</sup> *Id.* 824o(c), (d).

<sup>4</sup> *Id.* 824o(e).

FERC-725G (OMB Control No. 1902-0252)  
DLO (issued 2/18/2020) in Docket No. RD20-1-000  
UPDATED: 8/18/2020

NERC (North American Electric Reliability Corporation) as the ERO<sup>5</sup> pursuant to section 215 of the FPA.<sup>6</sup>

On March 16, 2007 (pursuant to section 215(d) of the FPA), the Commission issued Order No. 693, approving 83 of the 107 initial Reliability Standards filed by NERC. Order 693 addressed several PER and PRC Reliability Standards. Some of them were approved, but others were approved with a Commission directive for NERC to make modifications. In the intervening years, numerous changes have been made to update, eliminate, or establish various Reliability Standards.

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

The Reliability Standard PRC-006-NPCC-2 applies to generator owners, planning coordinators, distribution providers, and transmission owners in the Northeast Power Coordinating Council Region and is designed to ensure the development of an effective automatic underfrequency load shedding (UFLS) program to preserve the security and integrity of the Bulk-Power System during declining system frequency events in coordination with the NERC continent-wide UFLS Reliability Standard PRC-006-NPCC-2. A DLO was issued on 2/18/2020 approving the proposed standard and the related violation risk factors, violation severity levels, implementation plan, and effective date proposed by NERC.

The DLO in Docket No. RD20-1 states in part:

“On December 23, 2019, the North American Electric Reliability Corporation (NERC) and Northeast Power Coordinating Council, Inc. (NPCC) filed a joint petition seeking approval of proposed regional Reliability Standard PRC-006-NPCC-2 (NPCC Automatic Underfrequency Load Shedding).

NERC and NPCC state that regional Reliability Standard PRC-006-NPCC-2 establishes consistent and coordinated requirements for the design, implementation, and analysis of automatic underfrequency load shedding (UFLS)

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<sup>5</sup> “Electric Reliability Organization” or “ERO” means the organization certified by the Commission the purpose of which is to establish and enforce Reliability Standards for the Bulk-Power System, subject to Commission review.

<sup>6</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).

programs among all NPCC applicable entities. These requirements are more stringent and specific than the NERC continent-wide UFLS Reliability Standard, PRC-006-3, and were established such that the declining frequency is arrested and recovered stipulated in accordance with NPCC performance requirements. NPCC revised currently effective Regional Reliability Standard PRC-006-NPCC-1 to remove redundancies with the Reliability Standard PRC-006-3, clarify obligations for registered entities, improve communication of island boundaries to affected registered entities, and provide entities with the flexibility to calculate net load shed for UFLS in certain situations.”

The NPCC Automatic Underfrequency Load Shedding (UFLS) regional Reliability Standard establishes more stringent and specific NPCC UFLS program requirements than the NERC continent-wide PRC-006 standard. The program is designed in a way that the frequency is in accordance with established NPCC performance requirements stipulated in this document.

Each Planning Coordinator in the Eastern Interconnection portion of NPCC shall design an UFLS program, pertaining to islands wholly within the NPCC Region, having performance characteristics that prevents the frequency from remaining below 59.5 Hz for more than 30 seconds.

Each Distribution Provider and Transmission Owner in the Eastern Interconnection portion of NPCC shall implement an automatic UFLS program, reflecting normal operating conditions, excluding outages. The automatic UFLS program shall be implemented on an island basis for each identified island per the NERC continent-wide PRC-006 Standard on UFLS as follows:

- The UFLS program shall be implemented by each Distribution Provider and Transmission Owner according to the frequency thresholds, nominal operating times, and load shedding amounts specified or
- The UFLS program shall be implemented collectively by multiple Distribution Providers or Transmission Owners, as long as they reside in the same UFLS island identified by the Planning Coordinator per Requirement R2. These multiple Distribution Providers or Transmission Owners, via mutual agreement, shall act as a single entity to provide an aggregated automatic UFLS program that sheds their coincident peak aggregated net Load according to the frequency thresholds, total nominal operating time, and load shedding amounts specified in the petition.

Information collection supplied by some entities include load (MW) information (amount and location) as well as UFLS equipment settings while the Planning Coordinators review settings for inhibit thresholds and update the model using the most recent load forecast. If the collection were conducted less frequently than specified in the document, the UFLS Program would not be as effective due to changes in the BES that occur over time.

**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. Commission staff estimates that nearly all of the respondents are likely to make and keep related records in an electronic format. Each of the eight 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.

**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. This information is not available elsewhere. The standard-developing group (the ERO and various stakeholders) think these areas need to be addressed and documented 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 508.<sup>7</sup>

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

Reliability Standard PRC-006-NPCC-2 establishes consistent and coordinated requirements for the design, implementation, and analysis of automatic underfrequency load shedding (UFLS) programs among all NPCC applicable entities. These requirements are more stringent and specific than the NERC continent-wide UFLS Reliability Standard, PRC-006-3, and were established such that the declining frequency is arrested and recovered in accordance with NPCC performance requirements. The collection cannot be collected less frequently.

The frequency this information is currently required is once per calendar year.

Having a yearly "develop and review" without taking any further action is strictly administrative and does nothing for reliability (P-81 type of issue).

## **7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION**

There are no special circumstances as described in 5 CFR 1320.5(d)(2).

## **8. 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 is a collaborative process involving the ERO, Regional Entities and other stakeholders developing and reviewing drafts, and providing comments, vetting and voting (possibly multiple rounds) on the standards, with the final proposed standard submitted to the FERC for review and approval.

A DLO was issued on 2/18/2020 approving the proposed standard.

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<sup>7</sup> 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](http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/Appendix_3A_StandardProcessesManual_20130626.pdf).

In accordance with OMB requirements, the Commission published a 60-day notice<sup>8</sup> on March 11, 2020, and we received no public comments.

The Commission also issued a 30-day notice<sup>9</sup> on May 26, 2020.

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

The Commission does not make payments or provide gifts for respondents related to these collections.

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

According to the NERC Rules of Procedure , “...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 for 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.**

This collection does not contain any questions of a sensitive nature.

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

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<sup>8</sup> 85 FR 14190

<sup>9</sup> 85 FR 31491

The Commission estimates that the delegated order will result in an increase in burden for industry.<sup>10</sup> The following table provides the estimated annual burden and cost<sup>11</sup> related to information collection requirements in the Docket No. RD20-1-000:

<b>FERC-725G, modifications due to Docket No. RD20-1-000</b>						
<b>Entity</b>	<b>Number of Respondents (1)</b>	<b>Annual Number of Responses per Respondent (2)</b>	<b>Total Number of Responses (1)*(2)=(3)</b>	<b>Average Burden Hrs. &amp; Cost (\$) Per Response (4)</b>	<b>Total Annual Burden Hours &amp; Cost (\$) (rounded) (3)*(4)=(5)</b>	<b>Cost per Respondent (\$) (5)÷(1)</b>
GO <sup>12</sup>	125	1	125	24 hrs.; \$1,920	3,000 hrs.; \$240,000	\$1,920
PC <sup>13</sup>	2	1	2	24 hrs.; \$1,920	48 hrs.; \$3,840	\$1,920
DP <sup>14</sup>	51	1	51	24 hrs.; \$1,920	1,224 hrs.; \$97,920	\$1,920
TO <sup>15</sup>	39	1	39	24 hrs.; \$1,920	936 hrs.; \$74,880	\$1,920
<b>TOTAL</b>			<b>217</b>		<b>5,208 hrs.:</b> <b>\$416,640</b>	

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

<sup>10</sup> Adding version 2 of the standard is a program increase for FERC-725G. Burden related to version 1 of the standard (currently contained in FERC-725I) is temporarily double counted but will be administratively removed in the future.

<sup>11</sup> The Commission staff thinks that the average respondent for this collection is similarly situated to the Commission, in terms of salary plus benefits. Based upon FERC’s 2019 average full-time equivalent (FTE) for salary plus benefits (\$167,091), the average hourly cost is \$80.00/hour

<sup>12</sup> Generator Owner

<sup>13</sup> Planning Coordinator

<sup>14</sup> Distribution Provide

<sup>15</sup> Transmission Owner

There is no start-up, capital, or other non-labor hour cost associated with the PRA aspects of this DLO in RD20-1-000. All costs are associated with 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 and compliance work for Reliability Standards. 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 PRA Administrative Cost (estimate of \$4,832 per collection annually) is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the Paperwork Reduction Act of 1995 (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 or orders, and other changes to the collection, as well as necessary publications in the Federal Register.

	<b>Number of Employees (FTE)</b>	<b>Estimated Annual Federal Cost</b>
Analysis and Processing of filings <sup>16</sup>	0	0
PRA Administrative Cost		\$4,832
<b>FERC Total</b>		\$4,832

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

The purpose of Reliability Standard PRC-006-NPCC-2 (contained within FERC-725G) is to revise currently effective Regional Reliability Standard PRC-006-NPCC-1 to remove redundancies with the Reliability Standard PRC-006-3, clarify obligations for registered entities, improve communication of island boundaries to affected registered entities, and provide entities with the flexibility to calculate net load shed for UFLS in certain

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<sup>16</sup> Based on the Commission’s FY (Fiscal Year) 2019 average cost (for wages plus benefits), \$80.00/hour is used.



situations. FERC-725G has a minor increase of 217 responses because we are correcting our prior estimate to represent the current registered entities.

PRC-006-NPCC-2 removes duplication with the continent wide standard and adds specificity to allow retirement of the NPCC UFLS Directory #12<sup>17</sup> containing more stringent UFLS performance criteria and harmonizes the requirements.

<b>FERC-725G</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	12,714	12,497	0	217
Annual Time Burden (Hr.)	710,355	705,147	0	5,208
Annual Cost Burden (\$)	0	0	0	0

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

There are no data publications.

## **17. DISPLAY OF EXPIRATION DATE**

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

## **18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

The Commission does not use statistical methods for these collections.

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<sup>17</sup> NERC stated that regional Reliability Standard PRC-006-NPCC-1 is based on the program characteristics defined within NPCC Directory #12 Underfrequency Load Shedding (UFLS) Program Requirements (NPCC Directory #12), which contains the criteria that govern the NPCC Automatic UFLS program that have been in place since June 26, 2009.

[https://www.nerc.com/FilingsOrders/us/FERCOrdersRules/Order\\_Approving\\_PRC-006-NPCC-1\\_2013.2.21.pdf](https://www.nerc.com/FilingsOrders/us/FERCOrdersRules/Order_Approving_PRC-006-NPCC-1_2013.2.21.pdf)