

Supporting Statement for
**FERC-725A(1B), (Mandatory Reliability Standard for TOP-010-1), OMB Control
No: 1902-0292**

The Federal Energy Regulatory Commission (Commission or FERC) requests the Office of Management and Budget (OMB) review and approve the information collection FERC-725A(1B) for an extension of three years, Mandatory Reliability Standard TOP-010-1 (Real-time Reliability Monitoring and Analysis Capabilities).

Background

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 Under section 215 of the Federal Power Act (FPA), the Commission requires a Commission-certified Electric Reliability Organization (ERO) to develop mandatory and enforceable Reliability Standards², which are subject to Commission review and approval. In 2006, the Commission established a process to select and certify an ERO and, subsequently, certified NERC as the ERO.³ In Order No. 693, the Commission approved 83 of 107 proposed Reliability Standards submitted by NERC, including the several Transmission Operations (TOP) Reliability standards. The Commission also directed NERC to address issues with respect to some TOP standards regarding monitoring and analysis capabilities.

A. Justification

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Under section 215 of the Federal Power Act (FPA),⁴ the Commission approved Reliability Standard TOP-010-1 (Real-time Reliability Monitoring and Analysis

¹ The Energy Policy Act of 2005 (EPAAct 2005), Pub. L. No 109-58, Title XII, Subtitle A, 119 Stat. 594, 941 (2005), codified at 16 U.S.C. 824o (2000).

² The Federal Power Act (as modified by the EPAAct 2005) states “[t]he term “reliability standard” means a requirement, approved by the Commission under this section, to provide for reliable operation of the bulk-power system. The term includes requirements for the operation of existing bulk-power system facilities, including cybersecurity protection, and the design of planned additions or modifications to such facilities to the extent necessary to provide for reliable operation of the bulk-power system, but the term does not include any requirement to enlarge such facilities or to construct new transmission capacity or generation capacity.”

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 Section 215 was added by the Energy Policy Act of 2005, Pub. L. No. 109-58, 119 Stat. 594 (2005) (codified at 16 USC 824o).

Capabilities) submitted by North American Electric Reliability Corporation (NERC).

The Reliability Standard establishes requirements for Real-time monitoring and Real-time Assessments capabilities to support reliable System operations. The Reliability Standard TOP-010-1 accomplished this by requiring applicable entities to: (1) provide notification to operators of real-time monitoring alarm failures; (2) provide operators with indications of the quality of information being provided by their monitoring and analysis capabilities; and (3) address deficiencies in the quality of information being provided by their monitoring and analysis capabilities. The Reliability Standard TOP-010-1, Requirement R4 addresses situational awareness objectives by providing for operator awareness when key alarming tools are not performing as intended.

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

In general, information collection and record retention requirements related to Reliability Standards are not submitted to, or retained for audit by, FERC. Rather they are submitted to, or retained for audit by, NERC or the Compliance Enforcement Authority, as specified in each individual Reliability Standard. TOP-010-1 (Real-time Reliability Monitoring and Analysis Capabilities), improves real-time situational awareness capabilities and enhances reliable operations by requiring reliability coordinators, transmission operators, and balancing authorities to provide operators with an improved awareness of system conditions analysis capabilities, including alarm availability, so that operators may take appropriate steps to ensure reliability. These functions include planning, operations, data sharing, monitoring, and analysis. Without collecting this information, reliability of the bulk-power system could become compromised, potentially resulting in outages.

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 technology and the medium are not covered in TOP Reliability Standards.

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 in order 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

The TOP-010-1 Reliability Standard requires applicable entities to provide notification to operators of real-time monitoring of alarm failures. TOP-010-1 also requires applicable entities to implement operating processes or operating procedures to: (i) provide operators with indication(s) of the quality of information being provided by their monitoring and analysis capabilities; and (ii) address deficiencies in the quality of information being provided by their monitoring and analysis capabilities.

Our estimates regarding the number of respondents are based on the NERC Compliance Registry as of April 24, 2020. According to the NERC Compliance Registry, there are 12 reliability coordinators, 98 balancing authorities and 169 transmission operators registered. There are benefits (for small and large entities) to clarifying and bringing efficiencies to the TOP Reliability Standards, consistent with the promoting increased efficiencies in Reliability Standards and reducing requirements that are either redundant with other currently-effective requirements or have little reliability benefit.

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

The Reliability Standard improves real-time situational awareness capabilities and enhance reliable operations by requiring reliability coordinators, transmission operators, and balancing authorities to provide operators with awareness of monitoring and analysis capabilities, including alarm availability, so that operators may take appropriate steps to protect reliability. Failure to follow requirements and compliance of TOP-010-1 could directly affect the ability to effectively monitor and control and ensure reliability of the bulk electric system.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are special circumstances relating to this collection that require respondents to provide information with fewer than 30 days notice (i.e., real-time data monitoring and real-time assessments, etc.). Reliability Standards and TOP-010-1, Requirements R1 and R2 go beyond documentation and specification of data and require the implementation of an operating process or operating procedure to address “the quality of the Real-time data necessary to perform Real-time data monitoring and Real-time Assessments or analysis functions.”⁵ The operating process or procedure includes criteria for evaluating the quality of data, provisions to indicate the quality of data and, actions to address quality issues with the entity(ies) providing the data. Reliability Standards TOP-010-1 satisfy the Commission’s criteria in Order No. 672, and are just, reasonable, not unduly discriminatory or preferential, and in the public interest.

To be effective in support of situational awareness, Real-time monitoring and analysis must:

- be performed with sufficient frequency to allow operators to understand operating conditions and take corrective actions when necessary;
- provide awareness of information quality to allow operators to assess the accuracy of information being received on system conditions and take corrective actions when necessary; and
- indicate when monitoring or analysis processes are not operating normally or are unavailable in order to provide operator awareness of the accuracy of the information being provided.

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

FERC notices were published in the Federal Register, thereby allowing all public utilities, natural gas and oil pipeline companies, state commissions, federal agencies, and other interested parties an opportunity to submit comments, or suggestions concerning the proposal. The 60-day Notice was published in the Federal Register (85 FR 10670, dated 02/25/2020) and no comments were received. The 30-day Notice was published in the

⁵ NERC Petition at 18. NERC emphasizes the importance of the quality of this type of data by noting that “[e]ntities continue to address lower-priority data quality issues (i.e., data quality issues not affecting Real-time monitoring or analysis) according to their operating practices.”

⁶ An Errata Notice (posted at <https://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=15543711>) was issued for the 30-day notice that affects the 3rd, 4th, and 5th columns of the table. This will correct the public notices for both 60-day and 30-day publications.; the corrected figures are included in section #12 of this supporting statement.

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Federal Register (85 FR 28621, dated 05/13/2020). An Errata notice was issued correcting columns 3-5 of the table within section #12.⁶

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

The Commission does not make payments or provide gifts for respondents related to FERC-725A(1B).

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

Responding entities do not submit the information collections 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.

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

There are no questions of a sensitive nature that are considered private in FERC-725A(1B).

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The TOP Reliability Standard has reduced in the number of respondents and will result in a small decrease in total burden for requirements imposed on entities to provide notification to operators of real-time situational awareness.

The estimated burdens and costs related to the estimated changes in Docket No. IC20-6 are as follows:

FERC-725A(1B) ⁶							
Entity	Requirements & Period	No. of Respondents ⁷ (1)	Annual No. of Responses per Respondent (2)	Total No. of Responses (1)*(2) =(3)	Average Burden & Cost Per Response ⁸ (4)	Total Annual Burden Hours & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
BA ⁹	Annual reporting	98	1	98	42 hrs.; \$2,863.14	4,116 hrs.; \$280,587.72	\$2,863.14
TOP ¹⁰	Annual reporting	169	1	169	40 hrs.; \$2,726.80	6,760 hrs.; \$460,829.20	\$2,726.80
BA/ TOP	Annual Record Retention	267	1	267	2 hrs.; \$81.61	534 hrs.; \$21,789.87	\$81.61
Total Burden Hours						11,410 hrs.; \$763,206.	

⁶⁷ Our estimates are based on the NERC Compliance Registry, Summary of Entities and Functions as of April 24, 2020, which indicates they are registered as BA and TOP.

⁷⁸ The number of respondents is the number of entities in which a change in burden from the removal of Year 1 Implementation approved in the 2017 submission. The removal of 70 hrs per response (averaged over 3 years)

⁸⁹ The estimated hourly costs (salary plus benefits) are based on Bureau of Labor Statistics (BLS) information, as of May 2019 (at http://www.bls.gov/oes/current/naics2_22.htm, with updated benefits information for March 2019 at <http://www.bls.gov/news.release/ecec.nr0.htm>), for an electrical engineer (code 17-2071, \$68.17/hour), and for information and record clerks record keeper (code 43-4199, \$40.84/hour). The hourly figure for engineers is used for reporting; the hourly figure for information and record clerks is used for document retention.

⁹¹⁰ Balancing Authority (BA). The following Requirements and associated measures apply to balancing authorities: Requirement R1: A revised data specification and writing the required operating process/operating procedure; and Requirement R2: quality monitoring logs and the data errors and corrective action logs.

¹⁰¹¹ Transmission Operations (TOP). The following Requirements and associated measures apply to transmission operators: Requirement R1: A revised data specification and writing the required operating process/operating procedure; and Requirement R3: alarm process monitor performance logs to maintain performance logs and corrective action plans.

Per Year		79 per year	
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13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

Total Capital and Start-up cost: \$0

Total Operation, Maintenance, and Purchase of Services: \$0

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The Commission does incur the costs associated with obtaining OMB clearance for this collection under the Paperwork Reduction Act (PRA). 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.

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of filings	0	0
PRA ¹¹ Administrative Cost ¹²		\$4,832
FERC Total		\$4,832

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

Original FERC-725A(1B). TOP-010-1 (Real-time Reliability Monitoring and Analysis Capabilities), associated with FERC-725A(1B) improved reliability by providing rigorous functional requirements for real-time monitoring and analysis. Reliability Standard TOP-010-1 was created to improve real-time situational awareness capabilities and enhance reliable operations by requiring reliability coordinators, transmission operators, and balancing authorities to provide operators with awareness of monitoring and analysis capabilities, including alarm availability, so that entities may take appropriate steps to ensure reliability.

¹¹¹² Paperwork Reduction Act of 1995 (PRA)

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In 2016 in Docket No. RD16-6, Reliability Standard TOP-010-1 was approved by the Commission to enhance reliability by accomplishing Blackout Report Recommendation 22 to evaluate and adopt better real-time tools for operators and reliability coordinators and establish requirements to perform real-time monitoring and analysis capabilities to support reliable system operations. The Reliability Standard built upon existing requirements to support effective real-time monitoring and analysis and improved situational awareness, and thereby enhance reliable operations. Reliability Standard TOP-010-1 applies to transmission operators and balancing authorities.

Adjustment in Estimate. For this renewal period there was a reduction in responses from 271 to 267 and corresponding reduction of 172 hours, due to normal fluctuations in industry.

Program change. There is a decrease (of 2,643 hrs.) due to the removal of the Year 1 implementation burden estimate submitted for approval in 2017. Since 3 years have elapsed, the one time 19,512 burden hours for Year 1 (that were averaged over Years 1-3), were removed. The decrease in 4 responses (adjustment discussed above) caused 11,582 to be reduced to 11,410 hrs.

	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
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Annual Number of Responses	267	271	-4	0
Annual Time Burden (Hr.)	11,410	14,225	-172	-2,643
Annual Cost Burden (\$)		0	0	0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There is no publication of data associated with FERC-725A(1B) collection of information.

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

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There are no exceptions.