Supporting Statement

FERC-725A(1C) (Mandatory Reliability Standards for Bulk-Power System: Reliability Standard TOP-001-4)

The Federal Energy Regulatory Commission (Commission or FERC) requests the Office of Management and Budget (OMB) review and approve the extension for FERC-725A(1C) in Docket No. IC20-24-000.

In the previous submission through Docket# RD17-4 (7/5/2017), another unrelated item under FERC-725A was pending review at the Office of Management and Budget (OMB) causing the burden to be included in 725A(1C) creating a New OMB number because only one item per OMB Control No. may be pending OMB review at a time. Currently, an order for the current Final Rule 19-16 was incorrectly included in 725A(1C) but will fortunately not be represented in this collection and included in 725A which is the rightful location for the changes being made to the Final Rule Approved (9/17/2020). Therefore, this collection will not be affected by any rulemaking for this renewal. This current renewal submission will go back to its original collection.[1]

Background

On August 8, 2005, The Electricity Modernization Act of 2005, which is Title XII of the Energy Policy Act of 2005 (EPAct 2005), was enacted into law.[2] 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 Standards[3], which are subject to Commission review and approval. In 2006, the

[1] The rulemaking (9/17/2020) affected FERC-725A(1C) to submit the consolidated supporting statement (for Docket No. RM19-16) timely to OMB, a 'placeholder' information collection number (FERC-725A, Mandatory Reliability Standards for Bulk-Power System: Reliability Standard TOP-001-4) will be used (rather than FERC-725A(1C).

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

[3] The Federal Power Act (as modified by the EPAct) 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."

Commission established a process to select and certify an ERO and, subsequently, certified NERC as the ERO.[4]

The ERO develops Reliability Standards[5] and, if approved by NERC, submits them to the Commission for review and approval. If and when the standards are approved by the Commission, the Reliability Standards become mandatory and must be enforced by the ERO, subject to Commission oversight. The Commission implements section 215 in 18 CFR 40.

In Order No. 693, the Commission approved 83 of 107 Reliability Standards submitted by NERC; the information collection provisions of those original 83 standards were initially included under FERC-725A. Since that time, various Reliability Standards have been retired, revised, or added (to FERC-725A or other Reliability information collection numbers), including standards in FERC-725Z.[6]

A. Justification

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

In a Petition dated March 6, 2017[7], the North American Electric Reliability Corporation ("NERC") requested Commission approval for Reliability Standards IRO-002-5 (Reliability Coordination, Monitoring and Analysis) and TOP-001-4 (Transmission Operations). NERC stated that the " Reliability Standards address the Commission directives in Order No. 817 related to: (i) transmission operator monitoring of non-bulk electric system ("BES") facilities; (ii) redundancy and diverse routing of transmission operator, balancing authority, and reliability coordinator data exchange capabilities; and (iii) testing of alternative or less frequently used data exchange capabilities."

[4] 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).

[5] The NERC Standard Processes Manual (posted at http://www.nerc.com/comm/SC/Documents/Appendix_3A_StandardsProcessesManual.pdf) describes the process for developing, modifying, withdrawing, or retiring a Reliability Standard.

[6] More information on the Reliability program and Reliability Standards is posted on FERC's website at https://www.ferc.gov/industries/electric/indus-act/reliability.asp.

[7] The NERC Petition and Exhibits are available in FERC's eLibrary in Docket No. RD17-4-000. The cover letter is posted at https://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14514025.

NERC states that the "Reliability Standards TOP-001-4 and IRO-002-5 build upon the improvements made in the prior versions of those standards to further advance reliability."[8] Reliability Standard TOP-001-4, Requirement R10 has been revised to require the transmission operator to monitor non-BES facilities for determining system operating limit exceedances within its transmission operator area, as directed by the Commission in Order No. 817.[9] NERC states that this revision helps to ensure that all facilities that can adversely impact reliability are monitored.[10]

NERC also revised Reliability Standard TOP-001-4 to require that the operator's and balancing authority's data exchange capabilities for the exchange of real-time data needed for real-time monitoring and Real-time Assessments have redundant and diversely routed data exchange infrastructure within the entity's primary control center and that these capabilities be tested for redundant functionality on a regular basis. Similar revisions are reflected in Reliability Standard IRO-002-5 to clarify the obligations of the reliability coordinator. NERC states that these modifications help support reliable operations by preventing a single point of failure in primary control center data exchange infrastructure from halting the flow of real-time data used by operators to monitor and control the BES.[11] NERC requests that the Commission approve Reliability Standards TOP-001-4 and IRO-002-5 as consistent with its directives in Order No. 817 and find that the Reliability Standards are just, reasonable, not unduly discriminatory or preferential, and in the public interest.

In the delegated FERC order issued on April 17, 2017,[12] the implementation of Reliability Standard TOP-001-4 (and the retirement of Reliability Standard TOP-001-3) and implementation of IRO-002-5 (and retirement of IRO-002-4) was approved. On July 11, 2019, the Commission approved by DLO a revised IRO-002-6 (and the retirement of IRO-002-5) to cover a WECC Variance that Reliability Coordinators in WECC develop a common Interconnection-wide methodology.

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, the Commission. Rather they are

[8] *Id.* at 13.
[9] Order No. 817, 153 FERC ¶ 61,178 at P 35.
[10] NERC Petition at 3.
[11] *Id.* at 3-4.
[12] The Letter Order is available in the Commission's eLibrary at https://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14560616.

submitted to, or retained for audit by, NERC (the Commission-approved ERO) or the Compliance Enforcement Authority, as specified in each individual Reliability Standard.

As discussed by NERC in its Petition [footnotes omitted],

> "The Reliability Standards address the Commission directives in Order No. 817 related to: (i) Transmission Operator monitoring of non-Bulk Electric System ("BES") facilities; (ii) redundancy and diverse routing of Transmission Operator, Balancing Authority, and Reliability Coordinator data exchange capabilities; and (iii) testing of alternative or less frequently used data exchange capabilities.
> …
> Reliability Standards TOP-001-4 and IRO-002-5 build upon the improvements made in the prior versions of those standards to further advance reliability. As explained in detail in Section IV, TOP-001-4 Requirement R10 has been revised to require the Transmission Operator to monitor non-BES facilities for determining System Operating Limit ("SOL") exceedances within its Transmission Operator Area, as directed by the Commission in Order No. 817. This revision helps to ensure that all facilities that can adversely impact reliability are monitored.
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> TOP-001-4 has been further revised to require that the Transmission Operator's and Balancing Authority's data exchange capabilities for the exchange of Real-time data needed for Real-time monitoring and Real-time Assessments have redundant and diversely routed data exchange infrastructure within the entity's primary Control Center and that these capabilities be tested for redundant functionality on a regular basis. Similar revisions are reflected in Reliability Standard IRO-002-5 to clarify the obligations of the Reliability Coordinator. These modifications, which are responsive to the Commission's directives in Order No. 817, help support reliable operations by preventing a single point of failure in primary Control Center data exchange infrastructure from halting the flow of Real-time data used by operators to monitor and control the BES."

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 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 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.

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

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 Rule of Procedure at Sections 507 and 508.[13]

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

Per NERC's Petition [without footnotes], "…TOP-001-4 Requirement R10 has been revised to require the Transmission Operator to monitor non-BES facilities for determining System Operating Limit ("SOL") exceedances within its Transmission Operator Area, as directed by the Commission in Order No. 817. This revision helps to ensure that all facilities that can adversely impact reliability are monitored.

TOP-001-4 has been further revised to require that the Transmission Operator's and Balancing Authority's data exchange capabilities for the exchange of Real-time data needed for Real-time monitoring and Real-time Assessments have redundant and

[13] NERC Rules of Procedure Sections 507 and 508 are available at: http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC_ROP_Effective_20140701_updated_20140602%20(updated).pdf.

diversely routed data exchange infrastructure within the entity's primary Control Center and that these capabilities be tested for redundant functionality on a regular basis. Similar revisions are reflected in Reliability Standard IRO-002-6 clarify the obligations of the Reliability Coordinator and a WECC Variance to have these Reliability Coordinator use a common Interconnection-wide methodology. These modifications, which are responsive to the Commission's directives in Order No. 817, help support reliable operations by preventing a single point of failure in primary Control Center data exchange infrastructure from halting the flow of Real-time data used by operators to monitor and control the BES."

Failure to implement the changes 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 no special circumstances related to the revisions in FERC-725A(1C).

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.

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- The 60-day PRA Notice was published on August 28, 2020 (85 FR 53354). The Commission received no public comments from the 60-day Notice.
- The 30-day PRA Notice will also be published in the Federal Register.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

The Commission does not make payments or provide gifts for respondents of these information collections.

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 regions, or maintain it internally. Since there are no submittals 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 in these information collections that are considered private.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The estimated burdens and costs related to the changes in Docket No. IC20-24-000 are as follows:

Information Collection Requirements	No. of Respondents & Type of Entity[14] (1)	Annual No. of Responses per Respondent (2)	Total No. of Responses (1)*(2)=(3)	Average Burden Hours & Cost Per Response ($) (4)[15]	Total Annual Burden Hours & Total Annual Cost ($) (3)*(4)=(5)
FERC-725A(1C)					
TOP-001-4[16]					
Reporting (R10, R20, & R21), ongoing	321 (TOP)	1	321	3 hrs.; $210.57	963 hrs.; $67,592.97

[14] Our estimates are based on the NERC Compliance Registry of 7/17/2020, which indicates there are 168 entities registered as TOPs and 97 entities registered as BAs within the United States. One entity may be registered as having several roles.

[15] The hourly cost figures, for salary plus benefits, for the reliability standards are based on Bureau of Labor Statistics (BLS) information (at http://www.bls.gov/oes/current/naics2_22.htm), as of May 2019. For reporting requirements, an electrical engineer (code 17-2071) is $70.19/hour; for the recordkeeping requirements, an information and record clerk (code 43-4199) is $41.03/hour.

[16] Requirement R21 (applicable to TOPs in ongoing yrs.) covers quarterly testing and associated reporting and recordkeeping requirements. Requirement R24 (applicable to BAs in ongoing yrs.) covers quarterly testing and associated engineering and recordkeeping requirements.

Recordkeeping, ongoing	321 (TOP)	1	321	2 hrs.; $82.06	642 hrs.; $26,341.26
TOP Sub-Totals				5 hrs.; $292.63	1,605 hrs.; $93,934.23
Reporting (R23 & R24), ongoing	97 (BA)	1	97	2 hrs.; $140.38	194 hrs.; $13,616.86
Recordkeeping, ongoing	97 (BA)	1	97	4 hrs.; $164.12	388 hrs.; $15,919.64
BA Sub-Totals				6hrs.; $304.50	582 hrs.; $29,536.50
FERC-725A(1C) ongoing total					2,187 hrs.; $123,470.73

13. THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As a result of the different standards being submitted at different times over several years for the various collections, there will not be any annual cost burden calculations for this collection.

14. 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-725A(1C) are not submitted to FERC.

The Commission does incur the costs associated with obtaining OMB clearance for the two 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.

FERC estimates the annual federal cost for this effort to be $6,745 for FERC-725A(1C).

	Number of Employees (FTE)	**Estimated Annual Federal Cost**
Analysis and Processing of filings	0.0	$0

PRA Administrative Cost		$6,475
FERC Total		$6,475

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

FERC-725A(1C) is affected by the implementation of Reliability Standard TOP-001-4; estimates are based on the NERC Compliance Registry of 7/17/2020, which indicates there are 168 entities registered as TOPs and 97 entities registered as BAs within the United States. One entity may be registered as having several roles. The changes to the estimate is due to normal fluctuation in Annual responses.

	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
FERC-725A(1C) (OMB Control No. TBD)				
Annual Number of Responses	418	422	-4	0
Annual Time Burden (Hr.)	2187	3376	-1189	0
Annual Cost Burden ($)	$0	$0	0	0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There is no publication of data associated with the FERC-725A(1C) collections 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

There are no exceptions.