Supporting Statement

**FERC-725A, FERC-725G1, and FERC-725Z, as modified by the Final Rule in Docket Nos. RM19-16 and RM19-17 (issued September 17, 2020)**

The Federal Energy Regulatory Commission (Commission or FERC) requests OMB review and approval of the changes to reporting and recordkeeping requirements, for the final rule (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 final rule. The Federal Energy Regulatory Commission (Commission or FERC) requests the Office of Management and Budget (OMB) review and approve the revisions of:

1. FERC-725A (Mandatory Reliability Standards for the Bulk-Power System), OMB Control No. 1902-0244;[[1]](#footnote-1)
2. FERC-725G1 Reliability Standards for the Bulk Power System: Reliability Standard PRC-004-5(i)), OMB Control No. 1902-0284; and
3. 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.[[2]](#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[[3]](#footnote-3) and, subsequently, certified the North American Electric Reliability Corporation (NERC)[[4]](#footnote-4) as the ERO. Pursuant to Section 215(d)(1) of the FPA and 18 CFR 39.5, the NERC is authorized to submit for Commission approval proposed Reliability Standards, and to propose revision or retirement of such standards.

**Justification**

On October 15, 2020, the Commission published a final rule in Docket Nos. RM19-16-000 and RM19-17-000 (85 FR 65207). In that final rule, the Commission acted on petitions submitted by the NERC by approving the retirement of four Reliability Standards in their entirety and revising five Reliability Standards. These actions reflect a total of 18 retired requirements.

Specifically, pursuant to section 215(d)(2) of the FPA,[[5]](#footnote-5) the Commission approved retirement of 18 Reliability Standard requirements.[[6]](#footnote-6) For the reasons discussed below, the Commission determined that the retirement of the 18 Reliability Standard requirements through the retirement of four Reliability Standards and the modification of five Reliability Standards is just, reasonable, not unduly discriminatory or preferential, and in the public interest.[[7]](#footnote-7) The Commission also approved the associated violation risk factors, violation severity levels, implementation plan, and effective dates proposed by NERC.

NERC stated 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.”[[8]](#footnote-8) NERC stated that in Phase 1 of the SER Project, teams of industry experts conducted a risk-based analysis of non-CIP Reliability Standards.[[9]](#footnote-9) NERC explained that the purpose of this review was “to identify Reliability Standard requirements that provide little or no benefit to reliability and should be retired.”[[10]](#footnote-10) NERC maintained that, unlike the periodic reviews[[11]](#footnote-11) 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.”[[12]](#footnote-12) NERC stated that the SER Project “was conducted in an open and transparent manner, with broad industry participation.”[[13]](#footnote-13)

The Commission believes that the retirements approved in the final rule will further the efficiency of the Reliability Standards program by reducing duplicative or otherwise unnecessary regulatory burdens. Further, the Commission agrees 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.[[14]](#footnote-14) With respect to two requirements that NERC proposed 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 NERC asserted that the two requirements are redundant of other Reliability Standards, NERC did 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 remanded proposed Reliability Standard VAR-001-6 to NERC so that Requirement R2 can be retained in the current version of that Reliability Standard.[[15]](#footnote-15)

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

On June 7, 2019, in Docket No. RM19-16-000, NERC submitted for Commission approval 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).[[16]](#footnote-16) NERC explained that approval of the new versions would result in the retirement of four requirements from the currently-effective versions of the Reliability Standards.[[17]](#footnote-17) NERC proposed to retire three of the existing requirements in Reliability Standards IRO-002 and TOP-001 that 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. NERC contended that these requirements are redundant and not necessary “because the performance required by these requirements is inherent to the performance of other Reliability Standard requirements.”[[18]](#footnote-18)

In particular, NERC maintained 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 asserted that “to perform the required operational planning analyses, the Reliability Coordinator must have the data it deems necessary from those entities that possess it.”[[19]](#footnote-19)

Additionally, regarding data exchange, NERC cited 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.”[[20]](#footnote-20) NERC stated 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 stated that the performance of Reliability Standard IRO-010-2, Requirements R1, R2 and R3 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.”[[21]](#footnote-21) NERC therefore asserted that Reliability Standard IRO-002-5, Requirement R1 provides no additional reliability benefit and “is therefore unnecessary and redundant and should be retired.”[[22]](#footnote-22)

NERC also proposed to retire Reliability Standards TOP-001-4, Requirements R19 and R22. NERC explained that Requirements R19 and R22 of Reliability Standard TOP-001-4 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 noted, however, that Reliability Standard TOP-002-4, Requirement R1 requires a transmission operator to perform an operational planning analyses to determine whether next-day operations within its area will exceed System Operating Limits. NERC also stated that TOP-002-4, 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 asserted that to satisfy these requirements, “each Transmission Operator and Balancing Authority must have the data it deems necessary from those entities that possess it.”[[23]](#footnote-23)

NERC also pointed 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 contended 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 TOP-003-3. For these reasons, NERC contended that Reliability Standards TOP-001-4, Requirements R19 and R22 are unnecessary and redundant and should be retired.

NERC requested 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 and TOP-001-5 would become effective on the first day of the first calendar quarter that is three months after regulatory approval. The previously effective versions of the Reliability Standards would be retired immediately prior to the effective date of the revised Reliability Standards. NERC explained 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)**

On June 7, 2019, in Docket No. RM19-17-000, NERC submitted for Commission approval the proposed retirement of 10 currently-effective FAC, INT, MOD and PRC Reliability Standards in their entirety without replacement.[[24]](#footnote-24) Additionally, NERC proposed modifications to four Reliability Standards reflecting the retirement of certain requirements from the currently-effective versions: 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).[[25]](#footnote-25) NERC asserted that its proposals 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.”[[26]](#footnote-26)

Regarding the full FAC, INT, MOD and PRC Reliability Standards proposed for retirement, NERC contended that theyare not necessary and that removing them would not adversely affect reliability. NERC stated that retirement of the ten full Reliability Standards 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.[[27]](#footnote-27) For example, NERC stated 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.”[[28]](#footnote-28) In supporting its conclusion that Reliability Standard INT-010-2.1 primarily relates to commercial and business practices, NERC noted 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.”[[29]](#footnote-29)

Similarly, regarding the MOD Reliability Standards, NERC stated 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.[[30]](#footnote-30) In particular, NERC explained 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.”[[31]](#footnote-31)

Regarding NERC’s proposed modified Reliability Standards, NERC stated 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. NERC asserted that Requirements R3.1, R4 and R5 of currently-effective Reliability Standard INT-006-4 “provide little, if any, benefit or protection to the reliability operation of the [Bulk-Power System]”[[32]](#footnote-32) and that the substance of Requirements R4 and R5 in particular relate to commercial or business practices and are better addressed through the balancing authority’s e-Tag Authority Service.[[33]](#footnote-33) Also, NERC stated that Requirement R1 of previously-effective Reliability Standard INT-009-2.1 should be revised to remove the reference to Reliability Standard INT-010, which was also proposed for retirement, and Requirement R2 is redundant with Reliability Standard BAL-005-1, Requirement R7.[[34]](#footnote-34) Finally, NERC stated that it has 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.”[[35]](#footnote-35)

NERC requested 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 previously effective versions. For the Reliability Standards retired in their entirety, NERC proposed an effective date that is immediately upon regulatory approval of the retirement. NERC also sought 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 18 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 are not covered in Reliability Standards and are therefore left to the discretion of each respondent. Also, as explained above, the retirement and revision of Reliability Standards, the retirement of 18 requirements in the final rule, remove 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 final rule approved the retirement of 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 approved for retirement in the final rule.

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

By approving the retirement of 18 Reliability Standard requirements out of 76 Reliability Standard requirements, the final rule reduces the burden on both large and small entities because it is eliminating associated information collection requirements. For the Reliability Standards and Requirements not approved for retirement in the final rule, small entities may reduce their burden 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 will 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 the final 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 this final rule, retire Reliability Standard requirements, 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.**[[36]](#footnote-36)** In addition, each FERC rulemaking involves publication of a proposed rule 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 information. The proposed rule was published in the Federal Register on February 6, 2020 (85 FR 6831). No public comments were filed on the collection of information. The final rule was published on October 15, 2020 (85 FR 65207).

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

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

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

The final rule eliminates certain Reliability Standards and requirements (within FERC 725A, 725G1, and 725Z) that are unnecessary or redundant. For the remaining requirements which are unaffected by the final rule, the Reliability Standards usually are monitored, audited, and enforced in the United States by the ERO subject to Commission oversight. Occasionally the Commission takes such action independently. 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 CFR 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 final rule, which would retire 18 requirements of Reliability Standards without adding any new obligations on registered entities, would result in a total industry reduction in burden for all entities (large and small) to be 42,907.44 hours (or approximately 18 hours (rounded) per response). The Commission based the burden reduction estimates on staff experience, knowledge, and expertise.

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| **Reductions Due to Final Rule in Docket Nos. RM19-16 & RM19-17** | | | | | |
| **Reliability Standard & Requirement** | **Type[[37]](#footnote-37) 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 (169) | 1 | 169 | 56.3 | 9,514.7 |
| INT-004-3.1 | BA (97) | 1 | 97 | 56.3 | 5,461.1 |
| INT-010-2.1 | BA (97) | 1 | 97 | 56.3 | 5,461.1 |
| TOP-001-4 R19 & R22 | BA/TO/GO/DP (1,704) | .25 | 426 | 0.8 | 340.8 |
| INT-009-2.1 R2 | BA (97) | 1 | 97 | 56.3 | 5,461.1 |
| MOD-020-0 | TP/RP/DP/BA (767) | 1 | 767 | 14.4 | 11,044.8 |
| **Sub-Total for FERC-725A** | **2,943** |  | **1,753** |  | **39,950.60** |
| **FERC-725G1** | | | | | |
| PRC-004-5(i) R4 | TO/GO/DP (1,607) | .41 | 659 | 4.36 | 2,873.24 |
| **Sub-Total for FERC-725G1** | **1,607** |  | **659** |  | **2,873.24** |
| **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 Reductions Due to Final Rule in RM19-16 & RM19-17** |  |  | **2,426** |  | **42,907.44** |

1. **ESTIMATE OF 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. 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.

1. **ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT**

There are no capital or start-up costs related to this information collection. All costs are related to burden hours. 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-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.

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|  | **\*Number of Employees (FTEs) or Number of Hours\*** | **Estimated Annual Federal Cost** |
| Analysis and Processing of filings[[38]](#footnote-38) | 0 | $00,000 |
| PRA[[39]](#footnote-39) Administrative Cost[[40]](#footnote-40) |  | $19,328 |
| **FERC Total** | $19,328 |

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

The Commission believes that the proposed Reliability Standard and requirement retirements will reduce burden and cost for all affected entities. The Commission estimates the total industry reduction in burden for all entities (large and small) to be 42,907.44 hours (or approximately 18 hours (rounded) per response)The decrease in the number of responses and hours, and the removal of one reliability standard is reflected in the tables below for each Collection affected.

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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.) | 1,466,716 | -3,005 | 0 | 1,469,721 |
| Annual Cost Burden ($) | $126,725 | $0 | $0 | $126,725 |

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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, 725G1, and 725Z information.

1. **DISPLAY OF EXPIRATION DATE**

The expiration date is 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.

1. The IC for FERC-725A(1C) (Mandatory Reliability Standards for Bulk-Power System: Reliability Standard TOP-001-4), OMB Control No. 1902-0298, originally incorporated in the final rule, is currently being renewed through OMB. As a result, in this request, the burden for FERC-725A(1C) will be included represented in FERC-725A (Mandatory Reliability Standards for the Bulk-Power System), OMB Control No. 1902-0244. [↑](#footnote-ref-1)
2. 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)
3. 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)
4. The retirements will result in the elimination of 18 of 76 Reliability Standard requirements. [↑](#footnote-ref-4)
5. 16 U.S.C. 824*o*(d)(2). [↑](#footnote-ref-5)
6. NERC withdrew the originally requested retirement of Reliability Standard VAR-001-6, Requirement R2 on May 14, 2020. [↑](#footnote-ref-6)
7. The four Reliability Standards being eliminated in their entirety are 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-020-0 (Providing Interruptible Demands and Direct Control Load Management Data to System Operations and Reliability Coordinators). The five modified Reliability Standards approved herein are Reliability Standards INT-006-5 (Evaluation of Interchange Transactions), INT-009-3 (Implementation of Interchange) and PRC-004-6 (Protection System Misoperation Identification and Correction), IRO-002-7 (Reliability Coordination—Monitoring and Analysis), TOP-001-5 (Transmission Operations). [↑](#footnote-ref-7)
8. Docket No. RM19-16-000 Petition at 3; Docket No. RM19-17-000 Petition at 4. [↑](#footnote-ref-8)
9. NERC stated 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-9)
10. Docket No. RM19-16-000 Petition at 5; Docket No. RM19-17-000 Petition at 6. [↑](#footnote-ref-10)
11. 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-11)
12. Docket No. RM19-16-000 Petition at 5; Docket No. RM19-17-000 Petition at 6. [↑](#footnote-ref-12)
13. Docket No. RM19-16-000 Petition at 5-6; Docket No. RM19-17-000 Petition at 7. [↑](#footnote-ref-13)
14. *See* NERC, Docket No. RM19-17-000, Petition at 7. [↑](#footnote-ref-14)
15. 16 U.S.C. 824*o*(d)(4). [↑](#footnote-ref-15)
16. On May 14, 2020, NERC withdrew its request to retire Reliability Standard VAR-001-6, Requirement R2. [↑](#footnote-ref-16)
17. The revised versions of the IRO and TOP Reliability Standards are not attached to the final rule. 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, <http://www.nerc.com>. [↑](#footnote-ref-17)
18. Docket No. RM19-16-000 Petition at 7. [↑](#footnote-ref-18)
19. *Id.* at 14-15. [↑](#footnote-ref-19)
20. *Id.* at 15. [↑](#footnote-ref-20)
21. *Id*. [↑](#footnote-ref-21)
22. *Id.* [↑](#footnote-ref-22)
23. *Id.* at 16. [↑](#footnote-ref-23)
24. 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-24)
25. The revised versions of the FAC, INT and PRC Reliability Standards are not attached to the final rule. 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, <http://www.nerc.com>. [↑](#footnote-ref-25)
26. Docket No. RM19-17-000 Petition at 7. [↑](#footnote-ref-26)
27. Docket No. RM19-17-000 Petition at 13-24. [↑](#footnote-ref-27)
28. *Id.* at 13. [↑](#footnote-ref-28)
29. *Id.* at 16-19. [↑](#footnote-ref-29)
30. *Id.* at 21. [↑](#footnote-ref-30)
31. *Id.* at 23. [↑](#footnote-ref-31)
32. *Id.* at 29. [↑](#footnote-ref-32)
33. *Id.* at 29-31. [↑](#footnote-ref-33)
34. *Id.* at 31-32. [↑](#footnote-ref-34)
35. *Id.* at 34. [↑](#footnote-ref-35)
36. 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-36)
37. RC=Reliability Coordinator; BA=Balancing Authority; TSP=Transmission Service Provider; TO=Transmission Owner; GO=Generator Owner; DP=Distribution Provider; TP=Transmission Provider; and RP=Resource Planner. Our estimates are based on the NERC Compliance Registry of July 17, 2020, which indicates there are 974 entities registered as GOs, 321 entities registered as TOs, 97 entities registered as BAs, 72 entities registered as TSPs, 198 entities registered as TPs312 entities registered as DPs, 160 entities registered as RPs, and 12 entities registered as RCs within the United States. [↑](#footnote-ref-37)
38. Based upon 2020 FTE average salary ($ 83/hr.) [↑](#footnote-ref-38)
39. Paperwork Reduction Act of 1995 (PRA) [↑](#footnote-ref-39)
40. The Commission bases the cost of Paperwork Reduction Act administration on staff time, and other costs related to compliance with the Paperwork Reduction Act of 1995. [↑](#footnote-ref-40)