

Supporting Statement for
**FERC-725S (Mandatory Reliability Standards: Emergency Preparedness
and Operations (EOP) Reliability Standards)**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve FERC-725S (Mandatory Reliability Standards: Emergency Preparedness and Operations (EOP) Reliability Standards) under OMB Control No. 1902-0270 for a three-year period.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Background. On August 8, 2005, The Electricity Modernization Act of 2005, which is Title XII of the Energy Policy Act of 2005¹ (EPAAct 2005), was enacted into law. EPAAct 2005 added a new section 215 to the Federal Power Act (FPA),² which requires a Commission-certified Electric Reliability Organization (ERO) to develop mandatory and enforceable Reliability Standards, subject to Commission review and approval. Once approved, the Reliability Standards may be enforced by the ERO, subject to Commission oversight, or by the Commission independently.

Section 215 of the FPA requires a Commission-certified ERO to develop mandatory and enforceable Reliability Standards, subject to Commission review and approval. Once approved, the Reliability Standards may be enforced by the ERO subject to Commission oversight or by the Commission independently. In 2006, the Commission certified North American Electric Reliability Corporation (NERC) as the ERO pursuant to section 215 of the FPA.

Pursuant to section 215 of the Federal Power Act (FPA),³ the Commission has approved Emergency Preparedness and Operations (EOP) Reliability Standards EOP-004-4 (Event Reporting), EOP-005-3 (System Restoration from Blackstart Resources), EOP-006-3 (System Restoration Coordination), and EOP-008-2 (Loss of Control Center Functionality), submitted by the North American Electric Reliability Corporation (NERC), the Commission-certified Electric Reliability Organization (ERO). The Commission also approved the associated violation risk factors, violation severity levels, implementation plans, and effective dates of the Reliability standards EOP-004-4, EOP-005-3, EOP-006-3 and EOP-008-2, EOP-010-1, and EOP-011-1.

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

¹ 16 U.S.C. 824d(a)

² 16 U.S.C. 824o. The approved Reliability Standards are available on the Commission's eLibrary document retrieval system in Docket No. RM17-12-000 and on the NERC website, www.nerc.com.

³ 16 U.S.C. 824o.

In 2006, the Commission certified North American Electric Reliability Corporation (NERC) as the ERO pursuant to section 215 of the FPA. FERC-725S consists of Emergency Preparedness and Operations (EOP) Reliability Standards, EOP-004-4 (Event Reporting), EOP-005-3 (System Restoration from Blackstart Resources), EOP-006-3 (System Restoration Coordination), and EOP-008-2 (Loss of Control Center Functionality), EOP-010-1 (Geomagnetic Disturbance Operations), and EOP-011-1 (Emergency Operations). These Reliability Standards enhance reliability by:

- (1) providing accurate reporting of events to NERC's event analysis group to analyze the impact on the reliability of the bulk electric system (Reliability Standard EOP-004-4).
- (2) delineating the roles and responsibilities of entities that support system restoration from blackstart resources which generate power without the support of the bulk electric system (Reliability Standard EOP-005-3).
- (3) clarifying the procedures and coordination requirements for reliability coordinator personnel to execute system restoration processes (Reliability Standard EOP-006-3).
- (4) refining the required elements of an operating plan used to continue reliable operations of the bulk electric system in the event that primary control center functionality is lost (Reliability Standard EOP-008-2).
- (5) addressing the effects of operating Emergencies by ensuring each Transmission Operator and Balancing Authority has developed Operating Plan(s) to mitigate operating Emergencies, and that those plans are coordinated within a Reliability Coordinator Area (EOP-010-1).
- (6) streamlining the requirements for Emergency operations of the Bulk Electric System. Attachment 1, which is incorporated into Requirements R2 and R6, provides the process and descriptions of the levels used by the Reliability Coordinator when communicating the condition of a Balancing Authority that is experiencing an Energy Emergency (EOP-011-1).

3. DESCRIBE ANY CONSIDERATION OF THE USE OF IMPROVED TECHNOLOGY TO REDUCE 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 and are therefore left to the discretion of each respondent. We think that nearly all 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.

These collections do not require industry to file the information with the Commission. However, they do contain information collection and record retention requirements for which using current technology is an option.

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. EOP Reliability Standards do not duplicate any filing requirements.

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.

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

If the requirements of these standards were performed less frequently, NERC would not be provided any information to allow assessment of the compliance. Adequate planning for operating emergencies and responding to those emergencies is critical for the reliable operation of the bulk power system.

- Reliability Standard EOP-004-4 requires reporting of events by responsible entities. The reportable events under the proposed Reliability Standard are collected and used to examine the underlying causes of events, track subsequent corrective action to prevent recurrence of such events, and develop lessons learned for industry.
- Reliability Standard EOP-005-3 ensures plans, facilities, and personnel are prepared to enable system restoration from blackstart resources to ensure reliability is maintained during restoration and priority is placed on restoring the Interconnection.
- Reliability Standard EOP-006-3 establishes how personnel should prepare, execute, and coordinate system restoration processes to maintain reliability and to restore the Interconnection.
- Reliability Standard EOP-008-2 ensures continued reliable operations of the bulk electric system if a control center becomes inoperable.

- Reliability Standard EOP-010-1 mitigates the effects of geomagnetic disturbance (GMD) events by implementing Operating Plans, Processes, and Procedures
- Reliability Standard EOP-011-1 addresses the effects of operating Emergencies by ensuring each Transmission Operator and Balancing Authority has developed Operating Plan(s) to mitigate operating Emergencies, and that those plans are coordinated within a Reliability Coordinator Area.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances related to the information collections.

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

Each FERC rulemaking (both proposed and final rules) is published in the Federal Register thereby providing public utilities and licensees, state commissions, Federal agencies, and other interested parties an opportunity to submit data, views, comments or suggestions concerning the proposed collections of data.

With respect to this request for renewal of control no. 1902-0270, FERC published a public notice and invited public comment on November 18, 2020 (85 FR 73477). The comment period ended on January 19, 2021. The Commission received no comments in response.

FERC also published a public notice and invited public comment to OMB on January 27, 2021(86 FR 7289).

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

No payments or gifts have been made to respondents.

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 due to the 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

These collections do not contain any questions of a sensitive nature.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The following table details Reliability Standards EOP-010-1, EOP-011-1, EOP-004-4, EOP-005-3, EOP-006-3, and EOP-008-2 in FERC-725S (OMB Control No. 1902-0270). The burden⁴ for FERC-725S reflects an increase from the previous versions of the Reliability Standards in total burden hours and cost based on adjustments in the additional entities and changes to hourly cost.⁵

FERC-725S						
Reliability Standard and Associated Requirement	Number of Respondents ⁶ (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response (4)	Total Annual Burden & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
EOP-010-1						
	181	1	181	20 hrs.; \$1,660	3,620 hrs.; \$300,460	\$1,660
EOP-011-1						

⁴ Burden is defined as the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. For further explanation of what is included in the information collection burden, refer to 5 Code of Federal Regulations 1320.3.

⁵ Commission staff estimates that the industry’s skill set and cost (for wages and benefits) for FERC-725S are approximately the same as the Commission’s average cost. The FERC 2020 average salary plus benefits for one FERC full-time equivalent (FTE) is \$172,329/year (or \$83.00/hour).

⁶ The number of respondents is based on NERC compliance registration information as of October 2, 2020.

	12	1	12	1,500 hrs.; \$124,500	18,000 hrs.; \$1,494,000	\$124,500
EOP-004-4, EOP-005-3, EOP-006-3, EOP-008-2						
	280	1	280	250.58 hrs.; \$20,798	70,162.4 hrs.; \$5,234,440	\$20,798
Total EOP	473				91,782 hrs.; \$7,028,900	

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no start-up or other non-labor costs.

Total Capital and Start-up cost: \$0

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

All of the costs in the final rule are associated with burden hours (labor) and described in Questions #12 and #15 in this supporting statement.

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 (OMB Control No. 1902-0255).

The Commission does incur the costs associated with obtaining OMB clearance for the two collections under the Paperwork Reduction Act (PRA). The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the Paperwork Reduction Act (PRA) for rulemakings, orders, or any other vehicle used to create, modify, extend, or discontinue an information collection. FERC estimates the annual cost for this effort to be \$6,475.00 for each of these collections.

FERC-725S	Number of Employees (FTEs)	Estimated Annual Federal Cost
Analysis and Processing of filings	0	\$0
Paperwork Reduction Act Administrative Cost ⁷		\$6,475
TOTAL		\$6,475

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

The following table details Reliability Standards EOP-010-1, EOP-011-1, EOP-004-4, EOP-005-3, EOP-006-3, and EOP-008-2 in FERC-725S (OMB Control No. 1902-0270). The burden being added for FERC-725S reflects an increase from the previous versions of the Reliability Standards in total burden hours and cost based on adjustments in the additional entities and changes to hourly cost due to normal fluctuations and accuracy.

FERC-725S	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	473	426	47	0
Annual Time Burden	91,782	74,605	17,177	0
Annual Cost Burden (\$)	\$0	\$0	\$0	\$0

16. TIME SCHEDULE FOR THE PUBLICATION OF DATA

There is no publication of data associated with FERC-725S collections of information.

17. DISPLAY OF THE EXPIRATION DATE

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

⁷ The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the Paperwork Reduction Act (PRA) for rulemakings, orders, or any other vehicle used to create, modify, extend, or discontinue an information collection.

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18.EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions for FERC-725S.