

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. RD20-4-000**

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>

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

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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).

<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

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) 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.”

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(D.C. Cir. 2009).

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

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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).

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.

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**

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<sup>8</sup> 86 FR 29574, June 2, 2021

<sup>9</sup> 86 FR 43533, Aug 9, 2021

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**

The Commission's request to OMB will reflect the following:

- Addition to the burden associated with UFLS-only distribution providers to proposed (in RD-20-4) Reliability Standard PRC-006-4.<sup>10</sup> The petition states that the currently effective standard is applicable to planning coordinators, "UFLS entities" (which may include transmission owners and distribution providers that own, operate, or control UFLS equipment), and transmission owners that own certain elements. In proposed Reliability Standard PRC-006-4, NERC proposes to add the UFLS-only distribution provider as an applicable UFLS entity.<sup>11</sup>

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<sup>10</sup> The burden associated with the Commission approved standard, PRC-006-3, is included in FERC-725G.

<sup>11</sup> [Standards Alignment with Registration Petition at 13.](#)

- Current, Reliability Standard PRC-006-5<sup>12</sup> (formerly PRC-006-3) (Automatic Underfrequency Load Shedding)

The following table outline net changes in burden hours and responses as a result of Docket No. RD20-4.

<b>RD20-4 Net Changes for FERC-725G, OMB Control No. 1902-0252</b>					
<b>PRC Regional Reliability Standards</b>	<b>Average Annual Number<sup>1</sup> of Respondents (1)</b>	<b>Average Annual Number of Responses per Respondent (2)</b>	<b>Average Annual Total Number of Responses (1)*(2)=(3)</b>	<b>Average Burden Hrs. Per Response (4)</b>	<b>Total Annual Burden Hours</b>
PRC-006-4 (Automatic Underfrequency Load Shedding) Reporting Requirement —program decrease <sup>13</sup>	-80 (TO & DP)	1	-80	47 hrs.	-3,760 hrs.;

<sup>12</sup> PRC-006-5 was approved April 1, 2021 in RM21-1 which did not trigger the PRA and therefore did not require prior OMB approval. The current version of this standard, PRC-006-5, was approved by the Commission on April 1, 2021. The only change was a revision to the regional variance for the WECC region for PRC-006-4 modifications that needs to be approved through OMB.

<sup>13</sup> The number of entities is being reduced in order to more clearly identify the applicable entities in subsequent rows in this table. As stated in the NERC Petition, “[t]he currently effective standard is applicable to Planning Coordinators, “UFLS entities” (which may include Transmission Owners and Distribution Providers that own, operate, or control UFLS equipment), and Transmission Owners that own certain Elements. In proposed Reliability Standard PRC-006-4, NERC proposes to add the UFLS-Only Distribution Provider as an applicable UFLS entity, consistent with the language in Section III(b) of Appendix 5B of the NERC Rules of Procedure (Statement of Compliance Registry Criteria) that the Reliability Standards applicable to UFLS-Only Distribution Providers includes prior effective versions of the PRC-006 standard.” The changes are not due to Docket No. RD20-4-000.

PRC-006-4 (Automatic Underfrequency Load Shedding) Evidence Retention— program decrease <sup>14</sup>	-80 (TO & DP)	1	-80	5 hrs.	-400 hrs.
PRC-006-4 (Automatic Underfrequency Load Shedding) R1-R7, R11-R15 Reporting Requirement— program increase & clarification <sup>14</sup>	64 (PC)	1	64	47 hrs.;	3,008 hrs.;
PRC-006-4 (Automatic Underfrequency Load Shedding) R1-R7, R11-R15 Evidence Retention- program increase & clarification <sup>14</sup>	64 (PC)	1	64	5 hrs.	320 hrs.

<sup>14</sup> The increases are not due to Docket No. RD20-4-000. They are a program increase of 64 PCs (and the corresponding hrs.) in order to correct and clarify the estimates.



PRC-006-4 (Automatic Underfrequency Load Shedding) R8-R10 Evidence Retention— program increase & clarification <sup>15</sup>	478 (TO, DP, UFLS-only DP)	1	478	5 hrs.	2,390 hrs.
<b>Net Changes for FERC-725G due to RD20-4</b>			446 (net increase)		1,558 hrs. (net increase)

Commission estimates the annual burden and cost for the information collection as follows:

**IC21-30-000 Renewal as effected by RD20-4-000: Mandatory Reliability Standards for the Bulk-Power System: Regional Mandatory Reliability Standards for the Bulk-Power System: Regional Reliability Standard PRC standards: PRC-006-5, PRC-002-2, PRC-012-2, PRC-019-2, PRC-023-4, PRC-024-1, PRC-025-2, PRC-026-1, and PRC-027.<sup>16</sup>**

<sup>15</sup> The program increase is due to adding 63 UFLS-only DPs due to Docket No. RD20-4-000. In addition, 415 TOs and DPs were originally estimated in FERC-725A due to Order No. 693. However, the estimates and descriptions were not clearly spelled out, so we are clarifying them. As a result, there are 315 hours (63\*5 hours) and the corresponding increase of 63 respondents of program increase due to Docket No. RD20-4-000, and 2,075 hours (415\*5 hours) of increase due to adjustment.

<sup>16</sup> The number of respondents on this table reflect information taken from NERC Compliance Registry, while it may show a decrease from previous years the 2021 values reflect treating standards as a whole instead of by requirement which allow for aggregate values and eliminating multiple counts of the same entity within a standard.

<b>Reliability Standard &amp; Requirement</b>	<b>Average Annual Number<sup>1</sup> of Respondents</b> (1)	<b>Average Annual Number of Responses per Respondent</b> (2)	<b>Average Annual Total Number of Responses</b> (1)*(2)=(3)	<b>Average Burden Hrs. &amp; Cost (\$) Per Response</b> (4)	<b>Total Annual Burden Hours &amp; Cost (\$) (rounded)</b> (3)*(4)=(5)	<b>Cost per Respondent (\$)</b> (5)÷(1)
<b>PRC-006-5 (Current burden after net changes due to RD20-4)</b>						
TO/DP/PC <sup>17</sup>	480	1	480	35 hrs.; \$2,905	16,800 hrs.; \$1,394,400	\$2,905
<b>Net Changes for FERC-725G due to RD20-4</b>			926		18,358 hrs.; \$1,523,714	
<b>PRC-023-4</b>						
TO/GO/DP <sup>18</sup>	1,314	1	1,314	303 hrs.; \$25,149	398,142 hrs.; \$33,045,786	\$25,149

<sup>17</sup> Using NERC Compliance Registration data (February 5, 2021), the number of respondents are for US unique entities and takes into account the overlap between functions of the DP = Distribution Provider, TO = Transmission Owner and PC= Planning Coordinator for a total of 480.

<sup>18</sup> Using NERC Compliance Registration data (February 5, 2021), the number of respondents are for US unique entities and takes into account the overlap between functions of the DP = Distribution Provider, TO = Transmission Owner and DP = Distribution Provider for a total of 1,314. The number of hours also take into account line terminal work needed to be done applicable TO, GO, or DP as per PRC-023-1 approved in Order No. 773 March 18, 2010.

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PC	65	1	65	212 hrs.; \$17,596	13,780 hrs.; \$1,143,740	\$17,596
<b>PRC-025-2<sup>19</sup></b>						
GO/TO/ DP <sup>20</sup>	1,314	1	1,314	4 hrs.; \$332	5,256 hrs.; \$436,248	\$332
<b>PRC-019-2</b>						
GO/TO	1,178	1	1,178	8.9 hrs.; \$664	10,484.20 hrs.; \$870,188.60	\$664
<b>PRC-024-1</b>						
GO	1,003	1	1,003	8 hrs.; \$664	8,024 hrs.; \$665,992	\$664
<b>PRC-026-1</b>						
GO/PC/TO	1,189	1	1,189	18 hrs.; \$1,494	21,402 hrs.; \$1,776,366	\$1,494
<b>PRC-002-2</b>						
TO/GO/ PC <sup>21</sup>	1,189	0.50	594.5	100 hrs.; \$8,300	59,450 hrs.; \$4,934,350	\$4,150
<b>PRC-012-2</b>						

<sup>19</sup> Reliability Standard PRC-025-2 from FERC-725G2 (OMB No. 1902-0281)- a temporary place holder is now being placed back into 725G.

<sup>20</sup> According to the NERC compliance registry as of February 5, 2021, NERC has registered 379 distribution providers (DP), 1,003 generator owners (GO) and 321 transmission owners (TO). However, under NERC's compliance registration program, entities may be registered for multiple functions, so these numbers incorporate some double counting. The number of unique entities responding will be approximately 994 entities registered as a transmission owner, a distribution provider, or a generator owner that is also a transmission owner and/or a distribution owner. These values reflect removing any year 1-2 costs and covers on-going cost from version PRC-025-1 and PRC-025-2.

<sup>21</sup> Based on the Requirements of PRC-002-2 some entities do not have to perform tasks annual so average response rate is set to 0.50.

RC/PC/ TO/GO/DP	1,329	1	1,329	88 hrs.; \$7,304	116,952 hrs.; \$9,707,016	\$7,304
<b>PRC-027-1</b>						
TO/GO/DP	1,314	1	1,314	44 hrs.; \$3,652	57,816 hrs.; \$4,798,728	\$3,652
<b>TOTAL for FERC- 725G</b>			<b>10,226.50</b>		<b>709,664.20 hrs.; \$58,902,128. 60</b>	

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

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 \$6,475 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>22</sup>	0	0

<sup>22</sup> Based on the Commission's FY (Fiscal Year) 2020 average cost (for wages plus benefits), \$83.00/hour is used.

PRA Administrative Cost		\$6,475
<b>FERC Total</b>		<b>\$6,475</b>

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

The purpose of Reliability Standard PRC-006-5 has an increase in responses due to changes for the revised standard and correcting our prior estimate to represent the current registered entities. The one-time burden was removed for PRC-019 and PRC-024. All adjustments made to each reliability standard were due to greater accuracy. PRC-006-NPCC-2 was removed due to duplication because it is already within the FERC-725I.

<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	10,227	12,714	-2,487	217
Annual Time Burden (Hr.)	709,722 <sup>23</sup>	710,355	-633	0
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 <https://www.ferc.gov/enforcement-legal/legal/information-collections>.

**18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

The Commission does not use statistical methods for these collections.

<sup>23</sup> Number is different from original calculation due to rounding.

