

Supporting Statement for  
**FERC-725K, Mandatory Reliability Standards for the SERC Region**  
(Three-year extension requested)

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review and renew the information collection requirements in FERC-725K under OMB Control No. 1902-0260. The 725K collection was modified by the Commission order in Docket No. RD22-1-000 and the renewal Docket No. is IC22-7-000.

**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. 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, which are subject to Commission review and approval. Once approved, the ERO may enforce the Reliability Standards, subject to Commission oversight. In 2006, the Commission certified the North American Electric Reliability Corporation (NERC) as the ERO pursuant to FPA section 215.<sup>1</sup>

Reliability Standards that NERC proposes to the Commission may include Reliability Standards that a Regional Entity proposes to be effective in that region.<sup>2</sup> In Order No. 672, the Commission noted that:

As a general matter, we will accept the following two types of regional differences, provided they are otherwise just, reasonable, not unduly discriminatory, or preferential and in the public interest, as required under the statute:

- a regional difference that is more stringent than the continent-wide Reliability Standard, including a regional difference that addresses matters that the continent-wide Reliability Standard does not; and

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<sup>1</sup> *North American Electric Reliability Corporation.*, 116 FERC ¶ 61,062, *order on reh'g & compliance*, 117 FERC ¶ 61,126 (2006), *aff'd sub nom. Alcoa, Inc. v. FERC*, 564 F.3d 1342 (D.C. Cir. 2009).

<sup>2</sup> 16 U.S.C. § 824o(e)(4). A Regional Entity is an entity that has been approved by the Commission to enforce Reliability Standards under delegated authority from the ERO. *See* 16 U.S.C. § 824o(a)(7) and (e)(4).

- a regional Reliability Standard that is necessitated by a physical difference in the Bulk-Power System.

When NERC reviews a regional Reliability Standard that would be applicable on an interconnection-wide basis and that has been proposed by a Regional Entity organized on an interconnection-wide basis, NERC must presume that the regional Reliability Standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest.<sup>3</sup> In turn, the Commission must give “due weight” to the technical expertise of NERC and of a Regional Entity organized on an interconnection-wide basis.<sup>4</sup>

As stated in the NERC Petition, in 2008, SERC commenced work on Reliability Standard PRC-006-SERC-01. NERC also began work on revising PRC-006-0 at a continent-wide level. The SERC standard has been developed to be consistent with the NERC UFLS standard. PRC-006-SERC-02 was developed due to periodic review of the standard and PRC-006-1 clearly defines the roles and responsibilities of parties to whom the standard applies.

On February 18, 2022, FERC issued the Delegated Letter Order in Docket No. RD22-1-000 approving the NERC petition’s request (*Joint Petition of the North American Electric Reliability Corporation and SERC Reliability Corporation for Approval of Proposed Regional Reliability Standard PRC-006-SERC-03*), which modifies the information collection of FERC-725K. The collection follows the NERC Petition request in Docket No. RD22-1-000 which proposes to update the reliability standard for the SERC region from PRC-006-SERC-02 to PRC-006-SERC-03. As stated in the NERC Petition submitted on December 14, 2021, the updated reliability standard provides additional flexibility for planning coordinators to adjust island boundaries to perform more accurate studies; address the transition of the Florida Reliability Coordinating Council (FRCC) registered entities to SERC following the dissolution of the FRCC on July 1, 2019; and to clarify technical requirements within the UFLS settings that are unique to the Florida peninsula. When FRCC was dissolved, and the registered entities located in the Florida peninsula would eventually become subject to SERC’s regional Reliability Standard PRC-006-SERC-02.

The PRC-006-1 standard identifies the Planning Coordinator (PC) as the entity responsible for developing underfrequency load shedding (UFLS) schemes within their

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<sup>3</sup> 16 U.S.C. § 824o(d)(3).

<sup>4</sup> *Id.* § 824o(d)(2).

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PC area. The regional standard (PRC-006-SERC-03) adds specificity not contained in the NERC standard for a UFLS scheme in the SERC Region. The added specificity that PRC-006-SERC-03 provides effectively mitigates the consequences of an underfrequency event.

The purpose of regional Reliability Standard PRC-006-SERC-03 is to establish consistent and coordinated requirements for the design, implementation, and analysis of automatic UFLS programs among all SERC applicable entities. The regional Reliability Standard PRC-006-SERC-03 incorporates revisions to: (i) provide more flexibility for Planning Coordinators to adjust island boundaries in order to perform more accurate and complete studies; (ii) address the transition of Florida Reliability Coordinating Council (“FRCC”) registered entities to SERC following the dissolution of FRCC as a regional entity on July 1, 2019;<sup>5</sup> (iii) clarify a technical term used in the regional Reliability Standard; and (iv) align requirement language with the current continent-wide NERC Reliability Standard, PRC-006-5.

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

Prior to the enactment of Section 215 of the Federal Power Act, FERC had acted primarily as an economic regulator of the wholesale power markets and the interstate transmission grid. In this regard, the Commission acted to promote a more reliable electric system by promoting regional coordination and planning of the interstate grid through regional independent system operators (ISOs) and regional transmission organizations (RTOs). However, the passage of the Energy Policy Act of 2005 added to the Commission’s efforts by giving it the authority to strengthen the reliability of the interstate electric transmission grid through the grant of new authority pursuant to Section 215 of the FPA. The FPA establishes a system of mandatory Reliability Standards developed by the ERO, approved by FERC, and enforced by the ERO and Regional Entities.

Regional Reliability Standard PRC-006-SERC-02 was developed to be consistent with the NERC Automatic Underfrequency Load Shedding (UFLS) Reliability Standard PRC-006-3 and was revised to PRC-006-SERC-03 following the dissolution of the FRCC and

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<sup>5</sup> Letter Order Approving the Joint Petition Requesting Certain Approvals in connection with the Dissolution of FRCC, 167 FERC ¶ 61,095, (2019).

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the need for the SERC region to update its reliability standards to meet the needs of the Florida peninsula. The Regional Reliability Standards are designed to ensure that automatic UFLS protection schemes designed by planning coordinators and implemented by applicable distribution providers and transmission owners in the SERC Region. This coordination allows for effectively mitigating the consequences of an underfrequency event.

Under the regional Reliability Standard, the information collected is used to ensure compliance with requirements associated with underfrequency load shedding plans. Without this information, it would be difficult to enforce compliance to the regional standard. A lack of compliance with this regional standard may lead to uncontrolled failure of the Interconnection, which may jeopardize the safety and security of the transmission grid.

**3. DESCRIBE ANY CONSIDERATION OF THE USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE THE BURDEN AND TECHNICAL OR LEGAL OBSTACLES TO REDUCING BURDEN**

This collection does not require information to be filed with the Commission. However, it does contain reporting and recordkeeping requirements such as creating and maintaining an UFLS program. To do this, current technology is an option that may reduce the burden of reporting and recordkeeping in comparison to not using current technology.

**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. OMB approved the reporting and recordkeeping requirements in national Reliability Standard PRC-006-2, which are the same as those in PRC-006-3, under FERC-725G, OMB Control No. 1902-0252. The information requirements in this regional Reliability Standard do not replace the requirements in the national Reliability Standard but instead apply an additional level of work to be completed by the respondents in the SERC Region. The additional requirements in the regional Reliability

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Standard are unique, and the Commission does not know of any other source for similar information.

## **5. METHODS USED TO MINIMIZE THE BURDEN IN COLLECTION OF INFORMATION INVOLVING SMALL ENTITIES**

The regional Reliability Standard does not contain express provisions for minimizing the burden of the requirements for small entities. All the requirements in the regional Reliability Standard apply to every applicable entity, be it large or small.

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>6</sup>

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

These requirements are necessary for the reliable operation of the bulk electric system. Any reduction in frequency may diminish the ability of NERC, Regional Entities, or FERC in maintaining the reliability of the bulk electric system.

As stated in response to #2 above, failure to comply with the information collection requirements may lead to an uncontrolled failure of the Interconnection. Reducing the reporting/record retention frequency may increase the risk of such an uncontrolled failure.

## **7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION**

There are some special circumstances as described in 5 CFR 1320.5(d)(2) related to this information collection.

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<sup>6</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).

Much of the requisite documentation to be maintained must be kept since the last compliance audit for a given entity. Compliance audits may occur more than 3 years apart, the records may be kept for a period that exceeds OMB guidelines in 5 CFR 1320.5(d)(2)(iv) that stipulates those records may not be retained for longer than three years. The Commission did not prescribe a set data retention period to apply to all Reliability Standards because the circumstance of each Reliability Standard varies. The regional standard and reporting and retention requirements were developed, vetted, and proposed by industry in the ERO's standards development process.

More specific language on data retention from the Reliability Standard PRC-006-SERC-03 follows:

Regional Reliability Standard PRC-006-SERC-03 requires evidence retention for requirements 2-8 set forth in the PRC-006-SERC-03:

“Each Planning Coordinator, UFLS Entity and Generator Owner shall keep data or evidence to show compliance as identified below unless directed by SERC to retain specific evidence for a longer period of time as part of an investigation.

Each Planning Coordinator, UFLS Entity and Generator Owner shall retain the current evidence of each Requirement and Measure as well as any evidence necessary to show compliance since the last compliance audit.

If a Planning Coordinator, UFLS Entity or Generator Owner is found noncompliant, it shall keep information related to the non-compliance until found compliant or for the retention period specified above, whichever is longer.

The compliance enforcement authority shall keep the last audit records, and all requested and submitted subsequent audit records.”<sup>7</sup>

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<sup>7</sup> Page 6 of 15 of the PRC-006-SERC-03 Reliability Standard  
([https://www.nerc.com/pa/Stand/RegionalReliabilityStandardsUnder%20Development/Regional\\_PRC-006-SERC-03\\_CLEAN\\_08252021.pdf](https://www.nerc.com/pa/Stand/RegionalReliabilityStandardsUnder%20Development/Regional_PRC-006-SERC-03_CLEAN_08252021.pdf))

**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.<sup>8</sup>

In accordance with OMB requirements,<sup>9</sup> the Commission published a 60-day notice<sup>10</sup> and a 30-day notice<sup>11</sup> to the public regarding this information collection on 2/24/2022 and 5/10/2022 respectively. In the public notices, the Commission noted that it would be requesting a three-year extension of the public reporting burden with changes reflecting the requirements in PRC-006-SERC-03 following the approval of Docket No. RD22-1-000. No comments were received on the 60-day Notice.

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

The Commission does not make payments or provide gifts for respondents related to this collection.

**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.

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<sup>8</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).

<sup>9</sup> 5 CFR 1320.8(d)

<sup>10</sup> 83 FR 63494

<sup>11</sup> 84 FR 10055

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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 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**

Our estimate below regarding the number of respondents is based on the NERC compliance registry as of January 7, 2022. According to the NERC compliance registry, there are 28 planning coordinators (PC) and 175 generator owners (GO) within the SERC Region. The individual burden estimates are based on the time needed for planning coordinators and generator operators to meet the requirements of both the regional SERC requirement and the national reliability requirements. The estimates include the costs to document and store data, run studies, assess UFLS design, and analyze results from design, development, and updating of the UFLS programs to be compliant with the SERC and NERC standards. Additionally, generator owners must provide a detailed set of data and documentation to SERC within 30 days of a request to facilitate post event analysis of frequency disturbances. These burden estimates are consistent with estimates for similar tasks in other Commission-approved Reliability Standards.

There are two burden tables below, the first showing the reduction in burden following RD22-1-000, and the second showing the estimated burden of the collection. The Commission estimates the annual reporting burden and cost for the Reliability Standard PRC-006-SERC-3 as:

**FERC-725K, modifications due to DLO in Docket No. RD22-1 (reduction in burden)**



<b>Reliability Standard and Associated Requirement</b>	<b>Number of Respondents (1)</b>	<b>Annual Number of Responses per Respondent (2)</b>	<b>Total Number of Responses (1) *(2) = (3)</b>	<b>Average Burden &amp; Cost Per Response (4)</b>	<b>Total Annual Burden &amp; Total Annual Cost (3) *(4) = (5)</b>	<b>Cost per Respondent (\$) (5) ÷ (1)</b>
<b>PRC-006-SERC-3</b>						
PCs: Provide Documentation and Data to SERC	28	1	28	16 hrs.; \$1,392	448 hrs.; \$38,976	\$1,392
<b>Total Reduction due to RD22-1</b>					<b>448 hrs.;</b> <b>\$38,976</b>	
<b>FERC-725K: Mandatory Reliability Standard for the SERC Region (renewal)</b>						
	<b>Number of Respondents<sup>12</sup> (1)</b>	<b>Annual Number of Responses per Respondent (2)</b>	<b>Total Number of Responses (1) *(2) = (3)</b>	<b>Average Burden &amp; Cost Per Response<sup>13</sup> (4)</b>	<b>Total Annual Burden Hours &amp; Total Annual Cost (3) *(4) = (5)</b>	<b>Cost per Respondent (\$) (5) ÷ (1)</b>

<sup>12</sup> Between previous information collection there is an increase in the number of PCs and GOs which largely reflect entities from the former FRCC and SPP regions now applicable PRC-006-SERC-03.

<sup>13</sup> The estimated hourly cost (salary plus benefits) provided in this section is based on the salary figures and benefits of the average 2021 FERC FTE costs (\$180,703 per year, or \$87.00 per hour), which we estimate is comparable for salary plus benefits costs of a utilities staff.

PCs: Design and Document Automatic UFLS Program	28	1	28	8 hrs.; \$696.00	224 hrs.; \$19,488.0 0	\$696.00
GOs: Provide Documenta tion and Data to SERC	175	1	175	16 hrs.; \$1,392.0 0	2800 hrs.; \$243,600. 00	\$1,392.0 0
GOs: Record Retention	175	1	175	4 hrs.; \$348.00	700 hrs.; \$60,900	\$348.00
<b>TOTAL</b>					<b>3,724 hrs.</b> <b>\$323,988</b>	

### 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 the costs in the FERC-725K information collection 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 information collection (OMB Control No. 1902-0225) and is not part of this request/ICR package.

The PRA Administrative Cost (estimate of \$8,279 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

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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	0	0
PRA Administrative Cost		\$8,279
<b>FERC Total</b>		<b>\$8,279</b>

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

There are some changes to reporting or recordkeeping requirements and some change to the burden estimate in the FERC-725K information collection resulting from the reduction in burden due to the modification from Docket No. RD22-1-000. The reduction in burden is reflected in Table 1 of question 12.

However, overall, there is an increase in burden hours and responses are due to a change in agency estimate due to adjustments in the industry. Specifically in this case, SERC merged with the Florida Reliability Coordinating Council (FRCC) on July 1, 2019, which led to an increase of firms (respondents) to 175 from 125. Additionally, since the update of PRC-006-SERC-03, planning coordinators also are required to design and document their updated UFLS program which creates 28 additional responses, bringing the total responses to 203. The increase in firms therefore, also increases the total burden hours from 2,584 hrs. to 3,724 hrs.

The following table shows the total burden of the collection of information. The format, labels, and definitions of the table follow the ROCIS submission system’s “Information Collection Request Summary of Burden” for the metadata.

	<b>Total Request</b>	<b>Previously Approved</b>	<b>Change due to Adjustment in Estimate</b>	<b>Change Due to Agency Discretion</b>
<b>FERC-725K</b>				
Annual Number of Responses	203	125	+78	0

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Annual Time Burden (Hr.)	3,724	2,584	+1,140	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 dates are displayed in a table posted on ferc.gov at [Information Collections | Federal Energy Regulatory Commission \(ferc.gov\)](#).

## **18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There are no exceptions.