

Supporting Statement for
**Proposed FERC-1004, One-Time Reports on
Extreme Weather Vulnerability Assessments**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve FERC-1004, One-Time Reports on Extreme Weather Vulnerability Assessments (OMB Control No. 1902-TBD), as proposed in the Notice of Proposed Rulemaking (NOPR) in Docket Nos. RM22-16-000 and AD21-13-000. FERC-1004 is a proposed one-time information collection, to be imposed on transmission providers and transmission owners within RTO/ISOs.

**1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF
INFORMATION NECESSARY**

Pursuant to sections 205 and 206 of the FPA, the Commission must ensure that the rates, terms, and conditions of Commission-jurisdictional services are just and reasonable and not unduly discriminatory or preferential.¹ The reports the Commission proposes to require, pursuant to our authority under FPA section 304, will enhance the Commission's understanding of whether transmission providers are assessing risks to transmission assets and operations as a result of extreme weather event vulnerabilities.²

According to a growing scientific consensus, extreme weather events are occurring more frequently than ever before; those events pose increased threats to system reliability and impacts on Commission-jurisdictional rates. Extreme weather events also come with significant humanitarian consequences. More than four and half million people in Texas alone lost power during Winter Storm Uri, and in some cases the outages contributed to a tragic loss of life. Winter Storm Uri also had a significant impact on energy prices, which rose to historic levels in the wholesale markets serving Texas and the South-Central region.

Additionally, in May 2021, the US Government Accountability Office (GAO) issued a report stating that extreme weather driven by climate change is expected to become increasingly frequent and severe and to have far-reaching effects on the electric grid. GAO identified potential impacts to the grid in every region of the United States that,

¹ 16 U.S.C. 824d, 824e.

² As explained by the Commission, the term "transmission provider" means any public utility that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce. See 16 U.S.C. 824(e); 18 CFR 35.28. To be clear, this term encompasses public utility transmission owners that are members of Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs). Accordingly, the reports proposed in the NOPR herein would be filed by the public utility members of RTOs/ISOs, as well as by the RTOs/ISOs themselves and other public utility transmission providers.

absent measures to increase resilience, may increase outages and impose billions of dollars in additional costs to utility customers. GAO recommended that the Commission take steps to identify or assess climate change risks to the grid to ensure it is well-positioned to determine the actions needed to enhance resilience. Similarly, the draft NOPR notes that the failure to assess and mitigate the risks of extreme weather could increase the frequency of loss of load events and negatively impact consumers, who ultimately bear the financial burden to regularly rebuild damaged infrastructure or to pay for solutions that may be more costly than solutions that could have been identified through a more proactive, forward-looking process.

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

The Commission will use the information submitted by transmission providers in their one-time report to fulfill its statutory responsibilities under the Federal Power Act with respect to system reliability and just and reasonable rates. Such information would allow the Commission to understand the extent to which transmission providers are assessing and mitigating vulnerabilities to their transmission assets and operations related to extreme weather events as such events may harm system reliability and affect Commission-jurisdictional rates for transmission and wholesale electricity.

Further the collection of these one-time reports will further enhance transparency and provide opportunities for sharing best practices among transmission providers. Numerous commentors in the AD21-13-000 technical conference docket that preceded this NOPR have requested the Commission take a proactive role in disseminating best practices around extreme weather vulnerability assessments across the industry. The information collected via the one-time reports is necessary should the Commission decide to assist in the dissemination of best-practices around extreme weather vulnerability assessments, as requested.

Were the Commission to forgo collecting the information proposed in the one-time reports, the Commission may be unable to determine whether the costs incurred by transmission providers as they respond to increasingly frequent extreme weather impacts to their transmission assets and operations are just and reasonable. The Commission would also fail to gain a baseline understanding of what transmission providers across the country are currently doing – or not doing – with respect to assessing and mitigating extreme weather vulnerability. Further, without the information from the one-time reports, transmission providers who undertake extreme weather vulnerability

assessments or who plan to do so could not learn best practices for conducting extreme weather vulnerability assessments.

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

There is an ongoing effort to determine the potential and value of improved information technology to reduce the burden. Specifically, to increase the efficiency which FERC carries out its program responsibilities, the Commission has been implementing measures to use information technology to reduce the amount of paperwork required in its proceedings. In Order No. 619,³ FERC established an electronic filing initiative to meet the goals of the Government Paperwork Elimination Act, which directed agencies to provide for optimal use and acceptance of electronic documents and signatures and electronic recordkeeping, where practical, by October 2003.

The Commission will collect FERC-1004 information in an electronic report responding to the questions in the NOPR RM22-16-000. All documents may be filed via the Commission's eFiling system. The eFiling instructions are located on the Commission's website at <http://www.ferc.gov>.

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 determined that the record in Docket No. AD21-13-000 did not provide a clear understanding of whether and to what extent transmission providers are currently conducting, or planning to conduct, extreme weather vulnerability assessments, the method(s) used to conduct those assessments, and what is done with the information from those assessments. The Commission staff carried out an extensive literature review of available extreme weather vulnerability assessments and determined that the available information, and record in Docket AD21-13-000, is insufficient.

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

None.

³ "Electronic Filing of Documents," Order No. 619, 65 FR 57088 (Sept. 21, 2000), FERC Stats. & Regs. ¶ 31,107 (2000).

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

There is no need to reduce the frequency of information collection; the Commission proposed only a single information collection. Commission staff's literature review suggests that these assessments should be regularly reoccurring, but this NOPR stops short of requiring that.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION

There are no special circumstances related to this information collection.

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

The Commission issued the NOPR on 6/16/2022.⁴ FERC published this NOPR in the Federal Register on 7/1/2022 (87 FR 39414) to provide the public with an opportunity to comment.

Procedural History. On March 5, 2021, the Commission issued an initial Notice of Technical Conference stating that Commission staff would convene a technical conference to discuss issues surrounding the threat to electric system reliability posed by climate change and extreme weather events.⁵ On March 13, 2021, the Commission issued a Supplemental Notice inviting pre-conference comments.⁶ The Commission received approximately 1,200 pages of pre-technical conference comments.

During the technical conference, held on June 1 and 2, 2021, the Commission heard from climatologists, utility executives, RTOs/ISOs and market monitor executives, state regulators and energy officials, and energy policy and reliability experts. Panelists agreed that electric system planning processes need adjustment to adequately address the threat posed by increasingly frequent and severe extreme weather event. While individual utilities and states facing these threats can and do adjust their planning, operations, and restoration practices, there was widespread agreement that regular and

⁴ The NOPR is posted in FERC's [eLibrary](#). Additionally, The Commission issued a [News Release](#) and provided a [staff presentation](#) on the subject matter.

⁵ March 5 Notice of Technical Conference, Docket No. AD21-13-000.

⁶ March 13 Supplemental Notice of Inviting Pre-Conference Comments, Docket No. AD21-13-000.

ongoing information sharing and coordination will be critical. Panelists also recommended that such sharing not be limited to lessons learned, insofar as ongoing information sharing could also benefit entities developing climate models (e.g., the National Oceanic and Atmospheric Administration (NOAA)) that may not always know what information is relevant to electric system planners and their stakeholders. Finally, there was widespread agreement that the Commission should play a role in facilitating information sharing among industry stakeholders and government agencies.

Subsequently, a Notice Inviting Post-Technical Conference Comments was issued on August 11, 2021,⁷ which permitted commenters to address the questions raised in that notice, as well as any other issues raised during the technical conference or identified in the Supplemental Notices issued on May 21 and May 27, 2021.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents of this collection.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not propose that transmission providers submit the results of their extreme weather vulnerability assessments or include lists of affected assets and operations, specific vulnerabilities, or asset- or operation-specific mitigations in the informational reports proposed by this NOPR. Rather, we propose that the one-time informational reports focus on describing the current or planned policies and processes that respondents have in place, or plan to implement, to assess and mitigate extreme weather risks. We believe that this focus of the proposed one-time informational reports should avoid the need for respondents to file Critical Energy/Electric Infrastructure Information. However, to the extent transmission providers believe that information they will submit warrants protections, they may make a request for such treatment pursuant to §§388.112 and 388.113 of the Commission's regulations.⁸

⁷ Notice Inviting Post-Technical Conference Comments, Docket No. AD21-13-000.

⁸ 18 CFR 388.112-113. Section 388.112 of the Commission's regulations specifies that any person submitting a document to the Commission may request privileged treatment for some or all of the information contained in a particular document that it claims is exempt from the mandatory public disclosure requirements of the Freedom of Information Act, and that should be withheld from public disclosure. *See* 5 U.S.C. 552. Section 388.113 of the Commission's regulations governs the procedures for submitting, designating, handling, sharing, and disseminating Critical Energy/Electric Infrastructure Information submitted to or generated by the Commission.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE, SUCH AS SEXUAL BEHAVIOR AND ATTITUDES, RELIGIOUS BELIEFS, AND OTHER MATTERS THAT ARE COMMONLY CONSIDERED PRIVATE

There are no questions of a sensitive nature associated with the reporting requirements.

12. ESTIMATED BURDEN COLLECTION OF INFORMATION

The Commission estimates the annual burden⁹ and cost¹⁰ for this proposed information collection as:

FERC-1004, as Proposed in NOPR in Docket Nos. RM22-16-000 and AD21-13				
A. Area of Modification	B. Annual Number of Respondents	C. Annual Estimated Number of Responses (1 per respondent)	D. Average Burden Hours & Cost¹¹ per Response	E. Total Estimated Burden Hours & Total Estimated Cost (Column C x Column D)
Report on Extreme Weather Vulnerability Assessment (one-time)	132 (49 TPs ¹² and 83 TOs)	132	Year 1: 99 hours; \$8,613.00 Subsequent Years: 0 hours per year; \$0	Year 1: 13,068 hours; \$1,136,916 Subsequent Years: 0 hours per year; \$0

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

⁹ 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 CFR 1320.3.

¹⁰ The Commission staff estimates that industry is similarly situated to FERC in terms of hourly cost (for wages plus benefits). Based on the Commission’s 2021 average cost (for wages plus benefits), \$87.00/hour is used.

¹¹ Commission staff estimates that respondents’ hourly wages plus benefits are comparable to those of FERC employees. Therefore, the hourly cost used in this analysis is \$87.00 (or \$180,703 per year).

¹² The number of entities listed from the NERC Compliance Registry reflects the omission of the Texas RE registered entities. Note that 41 transmission owners in non-RTO/ISO regions are also transmission service providers, so in total there are 132 entities subject to this proposed rulemaking.

There are no non-labor start-up costs. All costs are related to burden hours and are addressed in Questions #12 and #15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The estimate of the cost for analysis and processing of filings is based on salaries and benefits for professional and clerical support. This estimated cost represents staff analysis, decision-making, and review of any actual filings submitted in response to the information collection.

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. This average annual cost includes requests for extensions, all associated rulemakings, and other changes to the collection, as well as the cost of publication in the Federal Register.

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of Filings ¹³	7	\$1,264,921.00
PRA ¹⁴ Administrative Cost ¹⁵		\$8,279.00
FERC Total		\$1,273,200.00

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

This information collection is necessitated by the fact that the Commission has no baseline understanding of what transmission providers across the country are currently doing – or not doing – with respect to assessing and mitigating extreme weather vulnerability assessments.

Additionally, in May 2021, the US Government Accountability Office (GAO) issued a report stating that extreme weather driven by climate change is expected to become increasingly frequent and severe and to have far-reaching effects on the electric grid. GAO identified potential impacts to the grid in every region of the United States that,

13 FERC’s 2021 average wages plus benefits for one FTE (full-time equivalent) is \$180,703 per year.

14 Paperwork Reduction Act of 1995 (PRA).

15 Based upon FERC’s 2021 estimated average annual PRA Administrative Cost of \$8,279.

absent measures to increase resilience, may increase outages and impose billions of dollars in additional costs to utility customers. GAO recommended that the Commission take steps to identify or assess climate change risks to the grid in order to ensure it is well-positioned to determine the actions needed to enhance resilience.

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

The FERC-1004 burden figures are for the one-time filings proposed to be made in Year 1.

FERC-1004	Total Request (rounded)	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion (rounded)
Annual Number of Responses	132	0	0	132
Annual Time Burden (Hours)	13,068	0	0	13,068
Annual Cost Burden (\$)	\$0	\$0	\$0	\$0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There will be no publication of the information.

17. DISPLAY OF EXPIRATION DATE

OMB expiration dates are posted at www.ferc.gov.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions for FERC-1004.