

Supporting Statement for
**FERC-725, Certification of Electric Reliability Organization; Procedures for Electric Reliability Standards, RM22-10-000 TPL-001-5.1:
Non-Substantive Revision, Extreme Heat and Cold Weather Events**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve a non-substantive revision of FERC-725.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

In the final rule in RM22-10-000, the Commission directs the North American Electric Reliability Corporation (NERC) to develop a new Reliability Standard or modifications to existing Reliability Standard TPL-001-5.1 to address transmission system planning for extreme heat and cold weather events that impact the reliable operation of the Bulk-Power System.¹ The effective date of the final rule is September 21, 2023. NERC must submit the new or modified Reliability Standard the Commission no later than 18 months from the publication of the final rule in the Federal Register (i.e., by December of 2024). Further, NERC must ensure that the proposed new or modified Reliability Standard becomes mandatory and enforceable beginning no later than 12 months from the effective date of Commission approval of the new or modified Reliability Standard in accordance with 18 CFR 39.5.

The final rule in RM22-10-000 will not result in any material or substantive change in burden under FERC-725. FERC-725 authorizes the collection of information used by the Commission to implement the statutory provisions of section 215 of the FPA (16 U.S.C. 824o), and includes the burden, reporting and keeping requirements associated with: (a) Self-Assessment and ERO Application, (b) Reliability Assessments, (c) Reliability Standards Development, (d) Reliability Compliance, (e) Stakeholder Survey, and (f) Other Reporting. The Commission estimates the annual reporting burden and cost due to Docket No. RM22-10-000 to be the same as those included in FERC-725 for the “Standards Development” activity by the Electric Reliability Organization (i.e., NERC): 1 response and 20,800 hours.

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

Pursuant to section 215(d)(5) of the Federal Power Act (FPA) (16 U.S.C.824o(d)(5)) and 18 CFR Part 39, the final rule directs NERC to develop a new or modified Reliability Standard to address transmission system planning for extreme heat and cold weather events that impact the reliable operation of the Bulk-Power System. The Commission has taken this action to address challenges associated with planning for extreme heat and cold weather events, particularly those

¹ As defined at 16 U.S.C. 824o(a)(1), the term “Bulk-Power System” means— (A) facilities and control systems necessary for operating an interconnected electric energy transmission network (or any portion thereof); and (B) electric energy from generation facilities needed to maintain transmission system reliability. The term does not include facilities used in the local distribution of electric energy.

that occur during periods when the Bulk Power System must meet unexpectedly high demand. Extreme heat and cold weather events have occurred with greater frequency in recent years, and are projected to occur with even greater frequency in the future. These events have shown that load shed during extreme temperatures result in unacceptable risk to life and have an extreme economic impact. As such, the Commission has determined that the impact of concurrent failures of Bulk-Power System generation and transmission equipment and the potential for cascading outages that may be caused by extreme heat and cold weather events should be studied and corrective actions should be identified and implemented.

To address this reliability gap, the Commission directs NERC to develop a new or modified Reliability Standard that requires the following: (1) the development of benchmark planning cases based on information such as major prior extreme heat and cold weather events and/or future meteorological projections; (2) planning for extreme heat and cold weather events using steady state and transient stability analyses expanded to cover a range of extreme weather scenarios, including expected availability of the resource mix during extreme heat and cold weather conditions, and including the broad area impacts of extreme heat and cold weather; and (3) the development of corrective action plans that mitigate specified instances where performance requirements during extreme heat and cold weather events are not met.

After NERC files its proposal, the Commission will review it and decide whether to approve it in accordance with 18 CFR 39.5. That process is not included in this information collection request, but may become relevant to a future information collection request.

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

All of the information that is reported to the Commission in this collection may be submitted electronically, through the Commission's eFiling system (as described at <http://www.ferc.gov/docs-filing/efiling.asp>).

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.

Filing requirements are periodically reviewed as OMB review dates arise, or as the Commission may deem necessary in carrying out its responsibilities, in order to eliminate duplication and ensure that filing burden is minimized. There are no similar sources of information available that can be used or modified for the purposes described in Instruction No. 2.

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

This collection only affects NERC, which is not a small entity.

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

This information collection is necessary for the reliable operation and oversight of the Bulk-Power System. Any reduction in frequency may diminish the ability of NERC, Regional Entities, or FERC in maintaining reliability on the Bulk-Power System.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

The Commission does not require NERC to impose any specific controls nor does the Commission require NERC to propose “one-size-fits-all” requirements. There are no special circumstances as described in 5 CFR 1320.5(d)(2) relating to this information collection.

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. The Commission published a notice of proposed rulemaking (NOPR) on June 27, 2022 (87 FR 38020) and invited public comments.

The Commission received 33 sets of comments in response to the NOPR. The following comments pertained to FERC-725.

- Many commenters agreed that corrective action plans were necessary in a new or modified Reliability Standard to mitigate specified instances where performance requirements during extreme heat and cold weather events are not met. However, some of these commenters expressed concerns about corrective action plans as they were described in the NOPR. The Commission responded to each such concern as follows:
 - (1) One commenter stated that certain examples of potential corrective action plans mentioned in the proposed rule exceed the Commission’s authority under section 215 of the FPA. The Commission rejected arguments that the instructions in the final rule require responsible entities to develop corrective action plans may exceed the Commission’s jurisdiction. Consistent with section 215 of the FPA, the final rule does not require any responsible entity to engage in the construction of additional generation or transmission capacity. Moreover, while the final rule directs NERC to include in a new or modified Reliability Standard a requirement for entities to develop a corrective action plan to address extreme heat and cold weather events during the transmission planning process, the final rule does not mandate the use of any specific mitigation measure.
 - (2) Another commenter stated that the transmission planning process described in the NOPR would usurp the authority of the states to ensure the adequacy of the

generation supply. The Commission responded that that the rule does not usurp state authority with regard to resource adequacy. Requiring responsible entities to develop corrective action plans in certain circumstances does not require the construction of additional generation or transmission capacity. The Commission also observed that responsible entities that *elect* mitigation activities that involve increased transmission or generation capacity will be subject to the authority of such state agencies or others with legal jurisdiction over the construction of transmission or generation facilities.

- (3) Some commenters did not support the NOPR proposal to require the development and implementation of corrective action plans for all instances where performance requirements for extreme heat and cold events are not met. They stated that corrective action plans should be focused on the most likely and impactful events, which may not include extreme weather scenarios. The Commission responded by modifying the NOPR proposal by direct NERC to require in the new or modified Reliability Standard the development of corrective action plans that include mitigation for specified instances where performance requirements for extreme heat and cold events are not met—i.e., when certain studies conducted under the Standard show that an extreme heat or cold event would result in cascading outages, uncontrolled separation, or instability.
- NERC requested that the Commission consider coordinating the timing of the final rule in Docket No. RM22-10-000 with the extreme weather one-time informational reports required under Docket Nos. RM22-16-000 and AD21-13-000. Some other commenters stated that a year is not long enough to modify or create a Reliability Standards. The Commission agreed with NERC that the standard drafting team should have an extended development timeline to take advantage of the one-time reports required by the Commission under Docket Nos. RM22-16-000 and AD21-13-000. However, the Commission disagreed with other commenters' views that an extension of time was necessary for NERC to complete its work. Thus, the final rule allows an extension of time solely to permit coordinating the timing of the final rule in Docket No. RM22-10-000 with the extreme weather one-time informational reports required under Docket Nos. RM22-16-000 and AD21-13-000. The deadline for NERC to submit a proposed Reliability Standard has been extended to 18 months (instead of 12 months, as proposed in the NOPR) of the date of publication of the Docket No. RM22-10-000 final rule.
 - Some commenters recommended that the Commission direct NERC to create or modify a Reliability Standard that addresses the impacts of drought conditions (as well as other events beyond heat and cold, such as wildfires, hurricanes, and tornadoes) as part of extreme heat and cold transmission system planning, on grounds that droughts can affect the capacity and operation of water-cooled equipment and hydroelectric generators. Others advocated limiting the new or modified Reliability Standard to extreme heat and cold events on grounds that such events likely results in the load increasing while drought may have the opposite effect. The Commission agrees that drought conditions may impact reliability, and notes that drought impacts on generation are already studied in the resource forecasts developed by resource planners and mitigated by operating procedures. However, the Commission was not persuaded that a directive to address drought events

or other extreme events in the new or modified Reliability Standard is warranted at this time, in large part because the new or modified Reliability Standard is not necessarily the best vehicle to address other extreme events. Extreme heat and cold events generally affect large geographic areas, while other extreme weather and adjacent events such as tornadoes, hurricanes, storms, floods, and wildfires tend to have more localized impacts.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

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

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

After completion of the standards development and approval process, NERC will submit the proposed standard to the Commission for review and approval, a submittal which is normally publicly available. The Commission generally does not consider the proposed standard which NERC is being required to develop or modify to be confidential. However, certain actions have confidentiality provisions which prevent the disclosure of information relating to enforcement actions and critical energy infrastructure information. Any person seeking to prevent disclosure of confidential information may invoke 18 CFR 388.112.

The regulation at 18 C.F.R. 388.112 provides that “any person submitting a document to the Commission may request privileged treatment by claiming that some or all of the information contained in a particular document is exempt from the mandatory public disclosure requirements of the Freedom of Information Act, 5 U.S.C. 552, and should be withheld from public disclosure.”

In addition, 18 CFR 388.113 of the Commission’s rules and regulations governs access to critical energy infrastructure information (CEII). Under 18 CFR § 388.113(b), the Commission may restrict access to previously filed documents as well as Commission-generated documents which contain CEII information.

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

FERC-725 (OMB No. 1902-0225)
 Final Rule in Docket No. RM22-10-000; RIN: 1902-AG01

The Commission estimates the annual reporting burden² and cost³ due to Docket No. RM22-10-000 to be identical to those approved by OMB in the year 2022 for FERC-725 for the “Standards Development” activity by the ERO (i.e., NERC). The renewal request approved by OMB in 2022 included the following annual burdens for that activity: 1 response, 20,800 hours, and \$1,734,720 in labor-related costs. In addition, all of the remaining burdens approved in the year 2022 remain unchanged, as shown in the following table.

FERC-725, Certification of Electric Reliability Organization; Procedures for Electric Reliability Standards								
Type of Respondent	Type of Reporting Requirement	No. of Respondents (A)	Annual No. of Responses Per Respondent (B) ⁴	Total No. of Responses (A)x(B)=(C)	Average Burden Hours (D)	Cost (\$) per Response (Rounded)	Estimated Total Annual Burden Hrs. & Cost (\$) (rounded) (C)x(D)	Annual Burden Cost (\$) (Rounded)
Electric Reliability Organization (ERO)	Self-Assessment	1	.2	.2	4,160 hrs.	\$346,944	832 hrs.	\$69,388.8
	Reliability Assessments		5.0	5.0	10,400 hrs.	\$867,360	52,000 hrs.	\$4,336,800
	Reliability Compliance		2	2	17,680 hrs.	\$1,474,512	35,360 hrs.	\$2,949,024
	Standards Development		1	1	20,800 hrs.	\$1,734,720	20,800 hrs.	\$1,734,720
	Other Reporting		1	1	4,160 hrs.	\$346,944	4,160 hrs.	\$346,944
<i>ERO, Sub-Total</i>				9.2			113,152	\$9,436,872

² “Burden” is 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.

³ Labor-related costs (for wages and benefits) are based on wage figures from the Bureau of Labor Statistics (BLS) for May 2021 at https://www.bls.gov/oes/2021/may/oes_nat.htm and benefits information for March 2021 at <https://www.bls.gov/ebs/publications/september-2021-landing-page-employee-benefits-in-the-united-states-march-2021.htm>. For hourly costs (for wages and benefits), we estimate that 70 percent of the time is spent by Electrical Engineers (code 17-2071, at \$72.15/hr.), 20 percent of the time is spent by Legal (code 23-0000, at \$142.25/hr.), and 10 percent by Office and Administrative Support (code 43-0000, at \$44.47/hr.). Therefore, we use the weighted hourly cost (for wages and benefits) of \$ 83.40 (rounded) [or [(0.70) * (\$72.15/hr.)] + [(0.20) * \$142.25hr.] + [(0.10) * \$44.47/hr.]

⁴ In instances where the number of responses per respondent is “1,” the Commission Staff thinks that the actual number of responses varies and cannot be estimated accurately.

FERC-725 (OMB No. 1902-0225)
 Final Rule in Docket No. RM22-10-000; RIN: 1902-AG01

							hrs.	
Regional Entities	Self-Assessment	6	.2	1.2	4,160 hrs.	\$346,944	4,992 hrs.	\$416,332.8
	Reliability Assessments		1	6	15,600 hrs.	\$1,301,040	93,600 hrs.	\$7,806,24
	Reliability Compliance		1	6	47,840 hrs.	\$3,989,856	287,040 hrs.	\$23,939.1
	Standards Development		1	6	4,680 hrs.	\$390,312	28,080 hrs.	\$2,341,87
	Other Reporting		1	6	1,040 hrs.	\$86,736	7,280 hrs.	\$607,15
<i>Regional Entities, Sub-Total</i>				25.2			420,992 hrs.	\$35,110,732.6
Registered Entities	Stakeholder Survey	estimated 1,496	.2	299.2	8 hrs.	\$667.20	2,393.6 hrs.	\$199,626.2
	Reliability Compliance		1	1,496	400 hrs.	\$33,360	598,400 hrs.	\$49,906,18
<i>Registered Entities, Sub-Total</i>				1,795.2			600,793.60 hrs.	\$50,106,18
Total Burden Hrs. and Cost				1,829.6			1,134,938 hrs.	\$94,653,79

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The final rule does not change any of the estimated non-labor costs that OMB approved for FERC-725 in the year 2022. Thus, Commission staff estimates annual non-labor related cost burden for the information collection remains unchanged from the last approval as:

- Software costs (ERO): \$15,000/year
- Software costs (Regional Entities): \$50,000/year

Therefore, the total estimated annual non-labor related cost is \$65,000 for the FERC-725. All other costs are related to burden hours and are addressed in Questions #12 and #15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	Number of Employees (FTEs)	Estimated Annual Federal Cost
PRA ⁵ Administration Cost		\$8,279
Data Processing and Analysis ⁶	25	\$4,517,575
FERC Total		\$4,525,854

⁵ Paperwork Reduction Act of 1995 (PRA).

The Commission bases its estimate of the ‘Data Processing and Analysis’ cost to the Federal Government on salaries and benefits for professional and clerical support. This estimated cost represents staff analysis, decision making, and review of actual filings.

The Paperwork Reduction Act (PRA) Administrative Cost (updated May 2021) is the average annual FERC 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. It also includes the cost of publishing the necessary notices in the Federal Register.

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

The final rule does not impose a new mandate above and beyond the Commission’s directive to NERC to address transmission system planning for extreme heat and cold weather events that impact the reliable operation of the Bulk-Power System. That directive is meant to enhance Bulk-Power System resilience by addressing the gap in reliability identified in the NOPR and final rule. The directive’s burdens are identical to those approved by OMB for FERC-725 in the year 2022. Thus there is no program change and there is no adjustment.

16. TIME SCHEDULE FOR THE PUBLICATION OF DATA

There are no publication plans for the collection of information.

17. DISPLAY OF THE EXPIRATION DATE

The expiration date is displayed in a table posted on ferc.gov at <http://www.ferc.gov/docs-filing/info-collections.asp>.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.

⁶ The cost estimate is based upon FERC’s FY2021 average annual salary plus benefits per FTE (full-time equivalent) of \$180,703.