

Supporting Statement for
FERC-725A, Mandatory Reliability Standards for the Bulk Power System

Certain existing information collection requirements associated with Mandatory Reliability Standards have been approved by OMB under FERC-725A (OMB Control No.1902-0244). FERC has approved the retirement of six Modeling, Data, and Analysis Reliability Standards (“MOD A Reliability Standards”), and is now seeking OMB approval of the removal from FERC-725A of the information collections associated with the MOD A Reliability Standards.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

On June 7, 2019, the North American Electric Reliability Corporation (NERC) submitted a petition to the Commission proposing, among other things, the retirement of the MOD A Reliability Standards, in their entirety without replacement. NERC explained that these requirements are administrative in nature or relate expressly to commercial or business practices and provide little or no reliability benefit. The MOD A Reliability Standards are:

- MOD-001-1a (Available Transmission System Capability),
- MOD-004-1 (Capacity Benefit Margin),
- MOD-008-1 (Transmission Reliability Margin Calculation Methodology),
- MOD-028-2 (Area Interchange Methodology),
- MOD-029-2a (Rated System Path Methodology), and
- MOD-030-3 (Flowgate Methodology).

On January 23, 2020, the Commission issued a NOPR proposing to approve the retirement of six reliability standards with a combined total of 56 requirements requested by NERC.¹ In the NOPR, the Commission proposed, among other things, to approve the retirement of the MOD A Reliability Standards, but noted that, if approved, the Commission intended to coordinate the effective dates for the retirement of the MOD A Reliability Standards with successor North American Energy Standards Board (NAESB) business practice standards.

On October 26, 2023, the Commission issued a final rule approving the retirement of six reliability standards with a combined total of 56 requirements.²

¹ *Elec. Reliability Org. Proposal to Retire Requirements in Reliability Standards Under the NERC Standards Efficiency Rev.*, Notice of Proposed Rulemaking, 170 FERC ¶ 61,032 (Jan. 23, 2020) (NOPR).

² *Electric Reliability Organization Proposal to Retire Requirements in Reliability*

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

In general, information collections associated with Reliability Standards do not involve submission to, or audit by, FERC. Rather, the associated information is submitted to, or retained for audit by, NERC or the Compliance Enforcement Authority, as specified in each individual Reliability Standard. Absent updating of information collections associated with Reliability Standards, reliability of the bulk-power system could become compromised, potentially resulting in outages. The retirement of the information collection associated with the MOD A Reliability Standards will result in the reduction of burdens for the reporting entities. The consequences of not collecting the information will be the elimination of information collection activities that are no longer needed.

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. We think that nearly all of 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. In the case of the retirement of the MOD A Reliability Standards and this information collection request, respondents will no longer need to use any type of information 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

Standards Under the NERC Standards Efficiency Review., Final Rule, 185 FERC ¶ 61,064 October 26, 2023.

filing burden. Reliability Standards are developed by a collaborative process which requires industry participation. The Commission is unaware of any other source of information similar to the requirements in the Reliability Standards. In the case of this information collection request, there is no similar relevant information collection.

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 an entity to share its compliance burden with other entities.

Detailed information regarding these options is available in NERC's Rules of Procedure at sections 507 and 508.³ However, the retirement of the MOD A Reliability Standards will reduce the burdens for both large and small entities.

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

In general, information collection requirements in Reliability Standards and requirements help maintain Bulk-Power System reliability. If triggering events were reported less frequently, it would undermine NERC's (and others') ability to mitigate the current event and prepare for a possible next event. In the case of this information collection request, associated with the retirement of the MOD A Reliability Standards, there will be no triggering events and the collections will be reduced to zero.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances as described in 5 CFR 1320.5(d)(2) related to the retirement of the MOD A Reliability Standards.

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

On January 23, 2020, the Commission issued a NOPR proposing to approve, among other things, the retirement of the MOD A Reliability Standards. The Commission received five sets of comments—two of which were specific to the proposed retirement of the MOD A Reliability Standards.

³Details of the current ERO Reliability Standard processes are available on the NERC website at [NERC ROP Effective August 25, 2022](#).

The Western Area Power Administration (WAPA) supported the proposal to retire the MOD A Reliability Standards. The WAPA expressed its support for the direction of the industry and the work performed by the Standards Efficiency Review project. The WAPA agreed with NERC's assertion that Available Transfer Capability/Available Flowgate Capability, along with e-Tags, are commercially focused elements facilitating interchange and balancing of interchange. WAPA also asked the Commission to ensure that appropriate measures are in place to ensure stakeholder[s] can provide input into the development of the new business practices.

The Bonneville Power Administration (BPA) also supported the proposal to retire the MOD A Reliability Standards. In its comments, the BPA stated that it appreciates the Commission's recognition of the relationship between the MOD A retirements and the publication of Business Practice Standards by NAESB to replace the commercial aspects of the MOD requirements. Further, the BPA believed it will be important to continue the efforts to avoid commercial requirements in the NERC Reliability Standards and, likewise, avoid reliability requirements in NAESB Business Practice Standards.

The Commission considered these comments in Order No. 902.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

The Commission does not make payments or provide gifts for respondents related to the information collections associated with the MOD A Reliability Standards.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

There are no specific assurances of confidentiality mentioned to respondents.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE

This collection does not include any questions of a sensitive nature.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

Tables 12-1 through 12-7 show the burdens that will be reduced in FERC-725A as a result of the retirement of the MOD A Reliability Standards. The number of respondents in these tables 12 is based on an estimate of the NERC compliance registry for transmission service providers (TSP), transmission operators (TOP), transmission

planners (TP), resource planners (RP), and balancing authorities (BA).⁴ As these entities still have obligations for other NERC Reliability Standards, the number of respondents will remain unchanged and only the burden hours will be reduced in FERC-725A.

Tables 12-1 through 12-7
Estimated Annual Burdens to be Reduced as a Result of RM19-17-001

Table 12-1
 MOD-001-1a - Available Transmission System Capability
 Retirement (Burden Reduction)

Applicable Entity (Respondent)	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Annual Number of Responses (1) * (2) = (3)	Average Burden Hours and \Cost per Response⁵ (4)	Total Annual Burden Hours and Cost Reduction (3) * (4) = (5)
TSP – Retired	71	1	71	120 hrs.; \$8,143.20	8,520 hrs.; \$578,167.20
TOP – Retired	165	1	165	120 hrs.; \$8,143.20	19,800 hrs.; \$1,343,628
FERC-725A for MOD-001-1a					28,320 hrs.; \$1,921,795.20

⁴ The number of TSPs (71), TOPs (165), TPs (98), RPs (159), and BAs (98) are based on the NERC Compliance Registry information as of August 17, 2023, and represent U.S. registered entities.

⁵ The estimated hourly cost (salary plus benefits) is a combination based on the Bureau of Labor Statistics (BLS), as of 2022, for 75% of the average of an Electrical Engineer (17-2071) \$77.29/hr, 72.29 x .75 = 57.9576 (\$57.96-rounded) (\$57.96/hour) and 25% of an Information and Record Clerk (43-4199) \$39.58/hr, \$39.58 x .25% = 9.895 (\$9.90 rounded) (\$9.90/hour), for a total (\$57.96+\$9.90 = \$67.86/hour).

Total Retired					
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Table 12-2
 MOD-004-1 – Capacity Benefit Margin (Burden Reduction)⁶

Applicable Entity (Respondent)	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Annual Number of Responses (1) * (2) = (3)	Average Burden Hours and Cost per Response (4)	Total Annual Burden Hours and Cost Reduction (3) * (4) = (5)
RP - Retired	159	1	159	60 hrs.; \$4,071.60	9,540 hrs.; \$647,384.40
TSP - Retired	71	1	71	60 hrs.; \$4,071.60	4,260 hrs.; \$289,083.60
BA - Retired	98	1	98	60 hrs.; \$4,071.60	5,880 hrs.; \$399,016.80
TP -Retired	203	1	203	60 hrs.; \$4,071.60	12,180 hrs.; \$826,534.80
FERC-725A for MOD-004-1 Total Retired					31,860 hrs.; \$2,162,019.60

⁶ In 2015 the Commission approved the retirement of the load-serving entity function. See *N. Am. Elec. Reliability Corp.*, 150 FERC ¶ 61,213 (2015); *N. Am. Elec. Reliability Corp.*, 153 FERC ¶ 61,024 (2015). NERC has an ongoing standard drafting team project to replace this function as an applicable entity in the Reliability Standards with the distribution provider function. See Project-2022-02 Modifications to TPL-001 and MOD-032.

Table12-3
 MOD-008-1 Transmission Reliability Margin Calculation Methodology
 Retirement (Burden Reduction)

Applicable Entity (Respondent)	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Annual Number of Responses (1) * (2) = (3)	Average Burden Hours and Cost per Response (4)	Total Annual Burden Hours and Cost Reduction (3) * (4) = (5)
TOP - Retired	165	1	165	60 hrs.; \$4,071.60	9,900 hrs.; \$671,814
FERC-725A for MOD-008-1 Total Retired					9,900 hrs.; \$671,814

Table 12-4
 MOD-028-2 – Area Interchange Methodology (Burden Reduction)

Applicable Entity (Respondent)	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Annual Number of Responses (1) * (2) = (3)	Average Burden Hours and Cost per Response (4)	Total Annual Burden Hours and Cost Reduction (3) * (4) = (5)
TOP – Retired	165	1	165	60 hrs.; \$4,071.60	9,900 hrs.; \$671,814
TSP – Retired	71	1	71	60 hrs.; \$4,071.60	4,260 hrs.; 289,083.60
FERC-725A for MOD-028-2 Total Retired					14,160 hrs.; \$960,897.60

Table 12-5
 MOD-029-2a – Rated System Path Methodology

Applicable Entity (Respondent)	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Annual Number of Responses (1) * (2) = (3)	Average Burden Hours and Cost per Response (4)	Total Annual Burden Hours and Cost Reduction (3) * (4) = (5)
TOP – Retired	165	1	165	60 hrs.; \$4,071.60	9,900 hrs.; \$671,814
TSP – Retired	71	1	71	60 hrs.; \$4,071.60	4,260 hrs.; \$289,083.60
FERC725A for MOD-029-2a Total Retired					14,160 hrs.; \$961,039.20

Table 12-6
 MOD-030-3 – Flowgate Methodology Retirement (Burden Reduction)

Applicable Entity (Respondent)	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Annual Number of Responses (1) * (2) = (3)	Average Burden Hours and Cost per Response (4)	Total Annual Burden Hours and Cost Reduction (3) * (4) = (5)
TOP – Retired	165	1	165	60 hrs.; \$4,071.60	9,900 hrs.; \$671,814
TSP – Retired	71	1	71	60 hrs.; \$4,071.60	4,260 hrs.; \$289,083.60
FERC-725A for MOD-030-3 Total Retired					14,160 hrs.; \$960,897.60

Table 12-7
Summary of Burden Reductions

Retirement Standard	Hours Reduced
MOD-001-1a	28,320
MOD-004-1	31,860
MOD-008-1	9,900
MOD-028-2	14,160
MOD-029-2a	14,160
MOD-030-3	14,160
Totals	112,560

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There is no start-up or other non-labor hour cost associated with the retirement of the MOD A Reliability Standards.

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 Paperwork Reduction Act (PRA) Administrative Cost 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.

	Number of Employees (FTEs)	Estimated Annual Federal Cost
Analysis and Processing of filings	0	\$0
PRA Administrative Cost		\$8,286
FERC Total		\$8,286

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

The retirement of the MOD A Reliability Standards will result in 112,560 fewer hours of burden for FERC-725A. The requested hours for FERC-725A are 1,361,838 hours. The previously approved hours for FERC-725A are 1,474,398 hours. As shown in Table 15, these are program changes due to agency discretion.

The changes in burden due to the final rule in Docket No. RM19-17-001 are limited to the reporting aspects of the IC activity labeled "FERC-725A Mandatory Reliability Standards for Bulk-Power System." However, to disclose those changes accurately in ROCIS it was necessary to separate the reporting aspects of that activity from the record keeping aspects. ROCIS characterized the two "new" activities as burden increases. The "additional" 251 responses are due to separating the reporting activities out of the recordkeeping activities. In fact, there were only burden reductions as a result of the final rule in Docket No. RM19-17-001 because of the removal of Reliability Standard reporting requirements.

Table 15
Changes in Burden Due to RM19-17-001

	Requested	Program Changes due to Agency Discretion	Previously Approved
Annual # of Responses	4,040	+ 251	3,789
Annual Time Burden	1,361,838 hours	-112,560 hours	1,474,398 hours
Annual Cost Burden (\$)	\$156,953	\$0	\$156,953

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no data publications as part of the retirement of the MOD A Reliability Standards.

17. DISPLAY OF EXPIRATION DATE

The expiration date for FERC-725A (i.e., November 30, 2024) will not change as a result of the final rule. That expiration date is displayed at [Information Collections | Federal Energy Regulatory Commission \(ferc.gov\)](#).

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.