

Supporting Statement
**FERC-725E, Mandatory Reliability Standards for the Western Electric
Coordinating Council,
as modified by Docket No. RD24-2-000**

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review and approve the information collection requirements in FERC-725E under OMB Control No. 1902-0246 as modified by Docket No. RD24-2-000 for three years. FERC-725E is an existing collection whose filing requirements are contained in 18 Code of Federal Regulations (CFR) Part 40.

The change in RD24-2-000 were updates in syntax and were deemed non-substantive. The currently approved VAR-501-WECC-3.1 is being replaced by VAR-501-WECC-4. The changes include updates to document numbering, the removal and replacement of obsolete language, and removal of redundant language.

Background

On December 15, 2023, NERC and WECC submitted a joint petition seeking approval of proposed regional Reliability Standard VAR-501-WECC-4, the associated violation risk factors and violation severity levels, effective date, and implementation plan. The joint petition also requests retirement of the currently-effective WECC regional Reliability Standard VAR-501-WECC-3.1.¹

In the joint petition, NERC and WECC explain that that the proposed Regional Reliability Standard VAR-501-WECC-4 revisions are non-substantive changes to the currently-effective Regional Reliability Standard: (1) updating the document template, numbering, and template sections; (2) removing antiquated language from the Effective Date section and redundant language from Measure M4; (3) updating syntax; and (4) correcting language such as “[s]tandard” to [S]tandard” and “dampen” to “damp” in the Rationale and Guidance sections.”²

Proposed regional Reliability Standard VAR-501-WECC-4 applies to generator operator and generator owner in the WECC Region, and it ensures that the Western Interconnection is operated in a coordinated manner under normal and abnormal conditions by establishing the performance criteria for power system stabilizers. Consistent with the currently effective version, the provisions of the proposed standard would continue to provide mandatory performance requirements for power system stabilizers in the Western Interconnection

1 Joint Petition at 1.

2 Joint Petition at 9-10.

based on long-held policy in the WECC region.³

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 Reliability Standards may be enforced by the ERO, subject to Commission oversight. In 2006, the Commission certified the North American Electric Reliability Corporation (NERC) as the ERO pursuant to FPA section 215.⁴ The reporting requirements in the FERC-725E are contained in FERC's regulations in 18 Code of Federal Regulations (CFR) Part 40.

On March 16, 2007, in Order No. 693, pursuant to section 215(d) of the FPA, the Commission approved 83 of 107 proposed Reliability Standards, six of the eight proposed regional differences, and the North American Electric Reliability Corporation (NERC) Glossary of Terms used in Reliability Standards (NERC Glossary).

FERC-725E (General): The information collected by the FERC-725E is required to implement the statutory provisions of section 215 of the Federal Power Act (FPA).⁵ Section 215 of the FPA buttresses the Commission's efforts to strengthen the reliability of the interstate grid through the grant of new authority by providing for a system of mandatory Reliability Standards developed by the Electric Reliability Organization (ERO). Reliability Standards that the ERO proposes to the Commission may include Reliability Standards that are proposed to the ERO by a Regional Entity.⁶ A Regional Entity is an entity that has been approved by the Commission to enforce Reliability Standards under delegated authority from the ERO.⁷ On June 8, 2008, the Commission approved eight regional Reliability Standards submitted by the ERO that were proposed by the Western Electricity Coordinating Council (WECC).⁸

³ *Id.* at 8-9.

⁴ *North American Electric Reliability Corp.*, 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).

⁵ 16 U.S.C. 824o.

⁶ 16 U.S.C. 824o(e)(4).

⁷ 16 U.S.C. 824o(a)(7) and (e)(4).

⁸ *North American Electric Reliability Corp.*, 119 FERC ¶ 61,260 (2007).

WECC promotes bulk electric system reliability in the Western Interconnection. WECC is the Regional Entity responsible for compliance monitoring and enforcement. In addition, WECC provides an environment for the development of regional Reliability Standards and the coordination of the operating and planning activities of its members as set forth in the WECC Bylaws.

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

There are several regional Reliability Standards in the WECC region. These regional Reliability Standards generally require entities to document compliance with substantive requirements, retain documentation, and submit reports to WECC. The following standards will be continuing without change:

- BAL-002-WECC-3 (Contingency Reserve)⁹ requires balancing authorities and reserve sharing groups to document compliance with the contingency reserve requirements described in the standard.
- BAL-004-WECC-3 (Automatic Time Error Correction)¹⁰ requires balancing authorities to document that time error corrections and primary inadvertent interchange payback were conducted according to the requirements in the standard.
- FAC-501-WECC-2 (Transmission Maintenance)¹¹ requires transmission owners with certain transmission paths to have a transmission maintenance and inspection plan and to document maintenance and inspection activities according to the plan.
- IRO-006-WECC-3 (Qualified Transfer Path Unscheduled Flow (USF) Relief)¹² requires balancing authorities and reliability coordinators to document actions taken to mitigate unscheduled flow.
- VAR-501-WECC-4 (Power System Stabilizers (PSS)) requires the Western Interconnection is operated in a coordinated manner under normal and abnormal conditions by establishing the performance criteria for WECC power system stabilizers.

⁹ BAL-002-WECC-3 was approved under docket RM19-20 on April 15, 2021.

¹⁰ BAL-004-WECC-3 was approved under docket RD18-2 on May 30, 2018.

¹¹ FAC-501-WECC-2 was approved under docket RD18-5 on May 30, 2018.

¹² IRO-006-WECC-3 was approved under docket RD19-4 on May 10, 2019.

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 industry to file the information with the Commission. However, FERC-725E does contain information collection and record retention requirements for which using current technology is an option.

The information technology to meet the information collection requirements is not specifically covered in the Reliability Standard.

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. The Commission is unaware of any other source of information related to WECC regional Reliability Standards.

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 a small entity to share the compliance burden with other entities and, thus, to minimize their own compliance burden. Detailed information regarding these options is available in NERC's Rules of Procedure at Sections 507 and 508.¹³

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

The proposed regional Reliability Standard VAR-501-WECC-4 requires generator operators and generator owners to ensure the Western Interconnection is operated in a coordinated manner under normal and abnormal conditions by establishing the performance criteria for power system stabilizers. Power system stabilizers play an important role in the stability of the Western Interconnection. Power system stabilizers are part of the automatic voltage regulation system of a generator and are designed to add or subtract torque to a generator with the goal of damping oscillations on the Western

¹³ See [https://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC%20ROP%20\(With%20Appendicies\).pdf](https://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/NERC%20ROP%20(With%20Appendicies).pdf)

Interconnection's bulk electric system that otherwise would be amplified if the automatic voltage regulator is operated alone. The proposed Regional Reliability Standard VAR-501-WECC-4 revisions are non-substantive changes to the currently-effective Regional Reliability Standard: (1) updating the document template, numbering, and template sections; (2) removing antiquated language from the Effective Date section and redundant language from Measure M4; (3) updating syntax; and (4) correcting language in the rationale and guidance sections. NERC and WECC assert that proposed regional Reliability Standard VAR-501-WECC-4 retains the existing requirements because they are needed to maintain reliability. And as stated earlier, all of this would be hindered if this collection of information were discontinued or conducted less frequently.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances related to the FERC-725E information collection.

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

The ERO process to establish Reliability Standards is a collaborative process with the ERO, Regional Entities, and other stakeholders developing and reviewing drafts and providing comments.¹⁴ The NERC-approved Reliability Standards were then submitted by NERC to the FERC for review and approval.

In accordance with OMB requirements, the Commission published two opportunities to comment in both 60 day and 30 day notices in Docket No. RD24-2-000.

The 60 day notice was published in the Federal Register on February 6, 2024 (89 FR 8186). No comments were received in response to the proposed changes to the FERC-725E information collection.

The 30 day notice was published in the Federal Register on April 30, 2024 (89 FR 34232).

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents associated with this collection.

¹⁴Details of the ERO standards development process are available on the NERC website at: https://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/SPM_Clean_Mar2019.pdf.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

According to the NERC Rules of Procedure¹⁵, "...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 under these Reliability Standards to FERC. Rather, they maintain it internally and provide information collected to applicable Regional Entities. 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.

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

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

We provide the tables below with burden estimates which show the current burden estimates which include the ongoing burden associated with reporting and recordkeeping requirements, which are not changing in RD24-2-000. Further, the change in RD24-2-000 is considered non-substantive, therefore, the Commission is estimating that the only change in burden estimates is due to normal fluctuations in industry.

In Table 1, the Commission highlights the burden estimates for the VAR-501-WECC-4 (updated in Docket no. RD24-2-000). In Table 2, the Commission estimates the total estimated burden for the entirety of the FERC 725E collection.

FERC-725E, Mandatory Reliability Standards for the Western Electric Coordinating Council, Changes in Docket No. RD24-2-000						
Entity	No. of Respondents⁹ (1)	Annual No. of Responses per	Annual No. of Responses (1)*(2)=(3)	Average Burden Hrs. & Cost¹⁰ Per Response (\$)	Total Annual Burden Hours &	Cost per Respondent (\$) (5)÷(1)=(6)

¹⁵ Section 1502, Paragraph 2, available at NERCs website.

		Respondent (2)		(4)	Total Annual Cost (\$) (3)*(4)=(5)	
Standard VAR-501-WECC-4						
<i>Reporting Requirements</i>						
Generator Owners and/or Operators annual	311	2	622	1 hr.; \$91.81	622 hrs.; \$57,105.82	\$183.62
<i>Recordkeeping Requirements</i>						
Generator Owners and/or Operators annual	311	2	622	0.5 hrs.; \$28.07	311 hrs.; \$17,459.54	\$56.14
Burden Annual for VAR-501-WECC-4					933 hrs.; \$74,565.36	

Net Burden for FERC-725E, for Submittal to OMB. The table below describes the new and continuing information collection requirements and the associated burden for FERC-725E. (The burden in Table 2 refers to burden associated with VAR-501-WECC-4, BAL-002-WECC-3, BAL-004-WECC-3, FAC-501-WECC-2, and IRO-006-WECC-3).

FERC-725E, Mandatory Reliability Standards for the Western Electric Coordinating Council [Continuing Information Collection Requirements]						
Entity	No. of Respondents¹¹ (1)	Annual No. of Responses per Respondent (2)	Annual No. of Responses (1)*(2)=(3)	Average Burden Hrs. & Cost Per Response (\$) (4)	Total Annual Burden Hours & Total Annual Cost (\$) (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)=(6)
<i>Reporting Requirements</i>						
Balancing Authorities	34	1	34	21 hrs., \$1,928.01	714 hrs., \$65,552.34	\$1,928.01

Transmission Owners that operate qualified transfer paths	5	3	15	40 hrs., \$3,672.40	600 hrs., \$55,086.00	\$ 11,017.20
Reliability Coordinators	2	1	2	1 hr., \$91.81	2 hr., \$183.62	\$91.81
Reserve Sharing Group	2	1	2	1 hr., \$91.81	2 hrs., \$183.62	\$91.81
Generator Owners and/or Operators annual for VAR-501-WECC-4	311	2	622	1 hr.; \$91.81	622 hrs.; \$57,105.82	\$183.62
Total Annual Reporting Requirements for FERC-725E					1,940 hrs.; \$178,111.40	

Recordkeeping Requirements						
Balancing Authorities	34	1	34	2.1 hrs., \$117.89	71.4 hrs., \$4,008.40	\$117.89
Balancing Authorities (IRO-006)	34	1	34	1 hr., \$56.14	34 hrs., \$1,908.76	\$56.14
Reliability Coordinator	2	1	2	1 hr.; \$56.14	2 hr.; \$112.28	\$56.14
Generator Owners and/or Operators annual for VAR-501-WECC-4	311	2	622	0.5 hrs.; \$28.07	311 hrs.; \$17,459.54	\$56.14
Total Annual Recordkeeping for FERC-725E					418.4 hrs.; \$23,488.98	
Total Annual Burden for FERC-725E					2,358.4 hrs.; \$201,600.38	

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no non-labor costs currently associated with the FERC-725E. All costs are associated with burden hours (labor) and are described in #12 and #15 of this document.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

None of the requirements in FERC 725E are submitted to the Commission. The Regional Entities and NERC complete data processing, monitoring and compliance work for Reliability Standards. The only cost for the federal government pertains to maintaining compliance with the PRA.

The estimated annualized cost to the Federal Government for FERC-725E follows:

	Number of Employees (FTE)	Estimated Annual Federal Cost
FERC-725E Analysis and Processing of filings	0	\$0
PRA ¹⁶ Administrative Cost		\$8,396
FERC Total		\$8,396

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

The modification from the VAR-501-WECC-3.1 to VAR-501-WECC-4 were edits to the syntax of the standard. This update did not change the requirements in material. However, during this modification, the Commission reviewed the burden estimates and updated according to changes due to normal adjustments in the industry (i.e., firms entering and exiting the industry). Thus, decreasing the number of respondents by 1 and increasing the hours by 440 total.

The table below reflects the table in ROCIS.

16 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 necessary publications in the Federal Register.

FERC-725E	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	1,244	1,248	-4	0
Annual Time Burden (Hr.)	2,357	2,218	+441	0
Annual Cost Burden (\$)	0	0	0	0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

FERC does not publish any data associated with this collection.

17. DISPLAY OF EXPIRATION DATE

The expiration date is displayed at <http://www.ferc.gov/docs-filing/efiling.asp>

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.