

Supporting Statement for  
**FERC-725R (Mandatory Reliability Standards: BAL Reliability Standards),  
Request for Extension in Docket No. RD25-5-000**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve the Commission's request in Docket No. RD25-5-000 for FERC-725R (Mandatory Reliability Standards: BAL Reliability Standards) BAL-007-1, Near-term Energy Reliability Assessments.

**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 (EPAct 2005), was enacted into law. EPAct 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, subject to Commission review and approval. Once approved, the Reliability Standards may be enforced by the ERO, subject to Commission oversight, or by the Commission independently.

Section 215 of the FPA requires a Commission-certified ERO to develop mandatory and enforceable Reliability Standards, subject to Commission review and approval. Once approved, the Reliability Standards may be enforced by the ERO subject to Commission oversight or by the Commission independently. In 2006, the Commission certified the North American Electric Reliability Corporation (NERC) as the ERO pursuant to section 215 of the FPA.

On March 16, 2007 (pursuant to section 215(d) of the FPA), the Commission issued Order No. 693, approving 83 of the 107 initial Reliability Standards filed by NERC. In the intervening years, numerous changes have been made to update, eliminate, or establish various Reliability Standards.

The FERC 725R includes a series of Reliability Standards that include the BAL standards. These standards pertain to resource and demand balancing (BAL) body of standards and detail the role of entities to ensure proper load, generation, and interchange balancing.

At present, FERC-725R consists of a collection of information associated with the following nationwide Reliability Standards:

- BAL-001-2, Real Power Balancing Control Performance;
- BAL-002-3, Disturbance Control Standard – Contingency Reserve for Recovery from a Balancing Contingency Event; and
- BAL-003-2, Frequency Response and Frequency Bias Setting; and
- BAL-005-1, Balancing Authority Control.
- BAL-007-1, Near-term Energy Reliability Assessments

Most recently, on February 20, 2025, BAL-007-1 was approved through Delegated Letter Order (Docket No. RD25-5-000).

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

The FERC 725R consists of information collection activities associated with a series of Reliability Standards that include the BAL standards. These standards pertain to resource and demand balancing (BAL) standards and detail the role of entities to ensure proper load, generation, and interchange balancing.<sup>1</sup>

- BAL-001-2,<sup>2</sup> Real Power Balancing Control Performance. Reliability Standard BAL-001-2 is designed to ensure that applicable entities balance generation and load by maintaining system frequency within narrow bounds around a scheduled value, and it improves reliability by adding a frequency component to the measurement of a Balancing Authority's Area Control Error (ACE).<sup>3</sup>
- BAL-002-3,<sup>4</sup> Disturbance Control Standard – Contingency Reserve for Recovery from a Balancing Contingency Event. This standard ensures that a responsible entity, either a balancing authority or reserve sharing group, is able to recover from system contingencies by deploying adequate reserves to return their Area Control Error to defined values and replacing the capacity and energy lost due to generation or transmission equipment outages.
- BAL-005-1,<sup>5</sup> Balancing Authority Control. This standard establishes requirements for acquiring data necessary to calculate Reporting Area Control Error (Reporting ACE). The standard also specifies a minimum periodicity, accuracy, and availability requirement for acquisition of the data and for providing the information to the System Operator. It requires balancing authorities to maintain minimum levels of annual availability of 99.5% for each balancing authority system for calculating Reporting ACE.
  - BAL-003-2,<sup>6</sup> Frequency Response and Frequency Bias Setting. This standard requires sufficient Frequency Response from the Balancing Authority (BA) to maintain Interconnection Frequency within predefined bounds by arresting frequency deviations and supporting frequency until the frequency is restored.

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<sup>1</sup> There are also regional BAL Reliability Standards. They are not included in FERC-725R and are not discussed here. The regional BAL Reliability Standards are covered under other OMB Control Nos.

<sup>2</sup> It was approved in Docket No. RM14-10.

<sup>3</sup> Area Control Error is the “instantaneous difference between a Balancing Authority's net actual and scheduled interchange, taking into accounts the effects of Frequency Bias, correction for meter error, and Automatic Time Error Correction (ATEC), if operating in the ATEC mode. ATEC is only applicable to Balancing Authorities in the Western Interconnection.” NERC Glossary.

<sup>4</sup> It was approved in Docket No. RD18-7.

<sup>5</sup> It was approved in Docket No. RM16-13.

<sup>6</sup> It was approved in Docket No. RM20-9-000.

- BAL-007-1, purpose is to to assess, report, and plan to address forecasted Energy Emergencies in the near-term time horizon. This standard requires balancing authorities “to perform a Near-Term ERAs and have Operating Plans in place to identify and minimize the risks of forecasted Energy Emergencies.”

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

The use of current or improved technology and the medium are not covered in Reliability Standards, and are therefore left to the discretion of each respondent. We think that nearly all of the respondents are likely to make and keep related records in an electronic format. Each of the eight 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.

**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**

There is no similar information available.

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

FERC considers the impact to be the minimum that is necessary.

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 Rule of Procedure at Sections 507 and 508.

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

If the requirements of the pertinent standards (and their associated information collection requirements) were performed less frequently, NERC would not be provided the necessary information to appropriately maintain reserves nor adequately define events that predicate action under the Reliability Standards. Without this data, NERC would not be able to ensure that interconnection frequency is maintained within predefined limits to improve reliability.

**7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE**

## INFORMATION COLLECTION

There are no special circumstances.

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

The Commission issued a 60 day notice on April 7, 2025, and published the notice in the Federal Register on April 11, 2025 (90 FR 15460). There were no comments received.

The 30-day PRA notice was published on July 23, 2025 (90 FR 34654).

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

No payments or gifts have been made to respondents.

### 10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

According to the NERC Rules of Procedure<sup>7</sup>, "...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 due to the 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 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

The collection does not contain any questions of a sensitive nature.

### 12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

Based on the NERC Compliance Registry, as of November 20, 2024, we estimate that 97 balancing authorities (BAs) would be subject to mandatory compliance with proposed Reliability Standard BAL-007-1.

#### Proposed Burden BAL-007-1 Docket No. RD25-5

Reliability Standard	Type and Number of	Number of Annual	Total Number of	Average Number of	Total Burden Hours
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<sup>7</sup> Section 1502, Paragraph 2, available at NERCs website.

	Entity <sup>8</sup> (1)	Responses Per Entity (2)	Responses (1)*(2)=(3)	Burden Hours per Response <sup>9</sup> (4)	(3)*(4)=(5)
<b>Annual Collection BAL-007-1 FERC-725R</b>					
<b>Annual review and record retention</b>	97 (BA)	1	97	24 hrs. \$ 70.67/hr	2,328 hrs. \$ 164,519.76
<b>Total for BAL-007-1</b>			<b>97</b>		2,328 hrs. \$ 164,519.76

The annual responses and burden hours for proposed Reliability Standard BAL-007-1 is 97 responses; 2,328 hours.

The annual cost burden is \$ 164,519.76 for proposed Reliability Standard BAL-007-1.

### 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 of the costs 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 collection (OMB Control No. 1902-0225) and is not part of this request or package.

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.

<sup>8</sup> Number of entity data taken from the NERC compliance registry, dated November 20, 2024.

<sup>9</sup> The estimated hourly cost (salary plus benefits) is a combination based on the Bureau of Labor Statistics (BLS), as of 2024, for 75% of the average of an Electrical Engineer (17-2071) \$79.31/hr.,  $79.31 \times .75 = 59.4825$  (\$59.48-rounded) (\$59.48/hour) and 25% of an Information and Record Clerk (43-4199) \$44.74/hr.,  $44.74 \times .25 = 11.185$  (\$11.19 rounded) (\$11.19/hour), for a total (\$59.48+\$11.19 = \$70.67/hour).

<b>FERC-725R</b>	<b>Number of Employees (FTEs)</b>	<b>Estimated Annual Federal Cost</b>
Analysis and Processing of filings	0	\$0
Paperwork Reduction Act Administrative Cost		\$7,978
<b>TOTAL</b>		<b>\$7,978</b>

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

The information collection contained in FERC 725R is adding a new reliability standard, BAL-007-1, Near-Term ERA. Burden has been added to reflect the 97 annual responses and 2,328 hours. There were no changes made to the remaining Reliability standards that fall under FERC-725R.

<b>FERC-725R</b>	<b>Total Request</b>	<b>Previously Approved</b>	<b>Change due to Adjustment in Estimate</b>	<b>Change Due to Agency Discretion</b>
Annual Number of Responses	3,475	3,572	0	+97
Annual Time Burden (Hr.)	25,018	27,346	0	+2,328
Annual Cost Burden (\$)	-	-	-	-

### 16. TIME SCHEDULE FOR THE PUBLICATION OF DATA

There are no tabulating, statistical or tabulating analysis or publication plans for the collection of information.

### 17. DISPLAY OF THE EXPIRATION DATE

The expiration date is displayed in a table posted at [Information Collections | Federal Energy Regulatory Commission \(ferc.gov\)](https://www.ferc.gov/information-collections/federal-energy-regulatory-commission)

### 18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.