

Supporting Statement for
FERC-725J, Definition of Bulk Electric System

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review and approve FERC-725J, Definition of Bulk Electric System, for a three-year period. FERC-725J (OMB Control Number 1902-0259) is an existing Commission data collection, as stated by 18 Code of Federal Regulations (CFR), Part 39. The reporting and recordkeeping requirements are not changing.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

On December 20, 2012, the Commission issued Order No. 773, a Final Rule approving NERC's modifications to the definition of "bulk electric system" and the Rules of Procedure exception process to be effective July 1, 2013. On April 18, 2013, in Order No. 773-A, the Commission largely affirmed its findings in Order No. 773. In Order Nos. 773 and 773-A, the Commission directed NERC to modify the definition of bulk electric system in two respects: (1) modify the local network exclusion (exclusion E3) to remove the 100 kV minimum operating voltage to allow systems that include one or more looped configurations connected below 100 kV to be eligible for the local network exclusion; and (2) modify the exclusions to ensure that generator interconnection facilities at or above 100 kV connected to bulk electric system generators identified in inclusion I2 are not excluded from the bulk electric system.¹ Each year the Regions and

¹*Revisions to Electric Reliability Organization Definition of Bulk Electric System and Rules of Procedure*, Order No. 773, 141 FERC ¶ 61,236 (2012); *order on reh'g*, Order No. 773-A, 143 FERC ¶ 61,053 (2013); *order on reh'g and clarification*, 144 FERC ¶ 61,174 (2013); *aff'd sub nom., People of the State of New York and the Pub. Serv. Comm'n of New York v. FERC*, No. 13-2316 (2d. Cir. 2015). On June 13, 2013, the Commission granted NERC's request for extension of time and extended the effective date for the revised definition of bulk electric system and the Rules of Procedure exception process to July 1, 2014. *Revisions to Electric Reliability Organization Definition of Bulk Electric System and Rules of Procedure*, 143 FERC ¶ 61,231, at P 13 (2013). On March 20, 2014, the Commission approved NERC's revisions to the definition of bulk electric system and determined the revisions either adequately address the Commission's Order Nos. 773 and 773-A directives or provide an equally effective and efficient approach. See *order approving revised definition*, 146 FERC ¶ 61,199

NERC may need to act on exception requests submitted by US only transmission owners, generator owners and distribution providers.

FERC staff revised the estimate for exception requests from 20 exception requests to 10, which is more accurate to the volume of received exception requests. Regarding Implementation Plans and Compliance, FERC estimates that 10% of the US registered entities may have to perform this task on a continuing basis.

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

FERC-725J requests information from respondents for four purposes: (1) to support local distribution determinations, (2) to provide a list of elements that are part of the bulk electric system, (3) to create implementation plans, and (4) to submit requests for exceptions to remove from or add to the bulk electrical system.

The information that FERC requires to support requests for local distribution determinations is listed below:

- Electronic petition to request a local distribution determination.
 - o Detailed narrative of the request for local distribution determination.
 - o Power system drawings of the elements identified.
 - o Power system analysis justifying the request including results and assumptions.
 - o Other pertinent information to support the justification such as previous regulatory orders related to the elements.

The information that NERC requests from entities to apply the definition of bulk electric system is listed below:

- Electronic forms providing a list of elements that are part of the bulk electric system.
- Create implementation plans for newly identified elements in the bulk electric system to comply with applicable Reliability Standards associated with those elements.

The information that NERC requests from entities that, after applying the bulk electric system definition, wish to request exceptions by adding elements to or removing elements from the bulk electric system through the NERC Rules of Procedure Exception Process:

- Fill out menu-based electronic forms identifying the elements and a request to add or remove the elements from the bulk electric system.
- Upload supporting information to justify the request.
 - Power system drawings of the elements identified.
 - Power system analysis justifying the request including results and assumptions.

The Commission uses the information filed for local distribution determinations to decide whether facilities are used for local distribution as set forth in the Federal Power Act. Entities who own elements that they believe should be classified as local distribution must electronically submit a petition to the FERC Commission for such a determination. The information needed in the petition may include a detailed narrative of the request for local distribution determination; power system drawings of the elements identified; power system analysis justifying the request including results and assumptions; and other pertinent information to support the justification such as previous regulatory orders related to the elements.

During the first two years of implementation, July 1, 2014 through June 30, 2016, owners of equipment reviewed their system configuration to determine which elements are part of the bulk electric system under the revised definition and created a list of these elements that is available to other parties on request. For any newly identified bulk electric system elements, owners and other entities worked together to create implementation plans to ensure compliance with Reliability Standards for the new elements. The lists and implementation plans were used by the owners of the equipment, entities where the operation of those elements is part of their scope of responsibility, NERC, and FERC. For some entities, part of the implementation includes compliance responsibility of information collection requirements that are part of existing approved Reliability Standards.

The option to request an exception from NERC is available to owners of elements and certain entities responsible for wide areas of the system.² The NERC Rules of Procedure

² The NERC Rules of Procedure exception process allows entities to request elements to be included or excluded from the bulk electric system based on technical analysis. The

(ROP) exception process requires entities to electronically provide technical data to support an exception request. This technical data consists of a power system analysis to technically justify removing elements from or adding elements to the bulk electric system. The analysis could include power flow models, short-circuit models, and dynamic stability models and analysis. Data includes power system data assumptions and results of the analysis. All of this is managed and received by NERC.

Failure to properly perform the initial review described above in the first two years of implementation and an ongoing review of newly constructed elements could result in the failure to properly classify elements as being part of the bulk electric system which are needed for operating the interconnected transmission network and could jeopardize electric system reliability.

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

All of the information in this collection is being submitted in an electronic format. The NERC compliance information and reports are filed using a separate electronic filing system than is used for collecting information on bulk electric system definition and NERC ROP exception process. Both of these filing systems are owned and managed by NERC and the Regional Entities.

Petitions for local distribution determinations are submitted through the FERC electronic filing system.

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 via data forms on the portals. These portals are accessible through an internet browser password protected user interface.

In preparation for the implementation of the bulk electric system definition and ROP exception process, NERC and the six regional entities worked together to develop a new data collection system called the BESNet. This new system will contain all of the exception process occurs after the bulk electric system definition is applied.

information required for the definition and exception process into one database. All owners of bulk electric system elements will follow the same procedures for submitting electronic data. The BESNet software is 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

Commission filings and data requirements are periodically reviewed in conjunction with OMB clearance expiration dates. This includes a review of the Commission's regulations and data requirements to identify any duplication.

Entities filing requests for local distribution determinations may use the Commission's eFiling system.

For information collected by NERC and the regional entities, the BESNet software will prevent the need for duplication of submittals. This data has not been collected in the past and is part of the implementation of the revised bulk electric system definition and ROP exception process that took effect July 1, 2014.

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

Generally, small entities do not have critical elements that are included in the bulk electric system. A small entity could pursue an exception request to have an element removed and it will be evaluated by the Regional Entities and NERC.

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

Failure to properly perform an ongoing review of newly constructed elements could result in the failure to properly classify elements as being part of the bulk electric system which are needed for operating the interconnected transmission network and could jeopardize electric system reliability.

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 FERC-725J information collection. Typically, OMB guidelines in 5 CFR 1320.5(d)(2) (iv) prohibiting the retention of records for longer than three years pertain to information collections affecting NERC registered entities. However, there are no record retention requirements within the BES definition.

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

In accordance with OMB requirements, the Commission published a 60-day notice³ in the Federal Register on 3/3/2026, providing the public with an opportunity to comment. The Commission noted that it would be requesting a three-year extension of the reporting and recordkeeping requirements. The Commission received no comments from the public regarding this information collection.

A 30-day notice was published in the Federal Register in 5/27/26⁴, providing another opportunity for public comment.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

The Commission does not make payments or provide gifts for respondents related to FERC-725J information collection.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not consider the filings within the FERC-725J to be confidential. Information provided with the filing may be submitted with a specific request for confidential treatment to the extent permitted by law and pursuant to FERC's regulations.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE, SUCH AS SEXUAL BEHAVIOR AND ATTITUDES,

³ 91 FR 10387
⁴ 91 FR 31445

**RELIGIOUS BELIEFS, AND OTHER MATTERS THAT ARE COMMONLY
CONSIDERED PRIVATE**

The Commission does not consider any of the questions within the FERC-725J of a sensitive nature that would be considered private.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The burden⁵ and cost⁶ of the FERC-725J information collection requirements are:

	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden (Hrs.) & Cost (\$) Per Response (4)	Total Annual Burden Hours & Total Annual Cost (\$) (3)*(4)=(5)
Generator Owners, Distribution Providers, and Transmission Owners (Exception Request)	10	1	10	120 hrs.; \$9,915.60	1,200 hrs.; \$99,156

⁵ 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. See 5 CFR 1320 for additional information on the definition of information collection burden.

⁶ The estimated hourly cost (salary plus benefits) is a combination of the following categories from the BLS website, http://www.bls.gov/oes/current/naics2_22.htm. The hourly estimates for salary plus benefits are:

-Legal (code 23-0000), \$140.76

-File Clerks (code 43-4071), \$35.94

-Electrical Engineer (code 17-2071), \$71.19

The average hourly burden cost for this collection is \$82.63 [(\$140.76 + \$35.94 + \$71.19)/3 = \$82.63]

FERC-725J (OMB Control No. 1902-0259)
Renewal Docket No. IC26-23-000

All Registered Entities (Implementation Plans and Compliance)	157	1	157	120 hrs.; \$9,915.60	18,840 hrs.; \$1,556,749.20
Local Distribution Determination	1	1	1	120 hrs.; \$9,915.60	120 hrs.; \$9,915.60
TOTAL			168		20,160 hrs.; \$1,665,820.80

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

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

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The Commission bases its estimate of the “Analysis and Processing of filings” 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 any actual filings made in response to the information collection.

The Regional Entities and NERC do most of the data processing, monitoring and compliance work for Reliability Standards. The only filings submitted to FERC under FERC-725J are the local distribution determinations. Federal effort is enumerated below:

The Commission incurs the costs associated with obtaining OMB clearance for the collection under the Paperwork Reduction Act of 1995 (PRA). The PRA Administrative Cost is a Federal 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. This average annual cost includes requests for extensions, all associated rulemakings and orders, other changes to the collection, and associated publications in the Federal Register.

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

	Number of Federal Employees (FTE)	Estimated Annual Federal Cost
FERC-725J Analysis and Processing of filings ⁷	0.50	\$106,501.50
PRA ⁸ Administrative Cost		\$8,404
FERC Total		\$114,905.50

⁷ Based upon 2026 FTE average salary plus benefits (\$213,003).

⁸ Paperwork Reduction Act of 1995 (PRA)

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

There is a change in burden due to a reduction in the estimated number of respondents for the portions of FERC-725J that pertain to exception requests and implementation plans and compliance. These estimates are being updated for accuracy. There is no change in exception requests (submitted by generator owners, distribution providers, and transmission) hours. There is a decrease in implementation plans and compliance (submitted by all registered entities) from 350 hrs. to 120 hrs.

The total change in estimates resulted in a total decrease in -36,082 burden hours.

The following table shows the total burden for the collection of information. The format, labels, and definitions of the table follow the ROCIS submission system's "Information Collection Request Summary of Burden" for the metadata.

FERC-725J	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	168	168	0	0
Annual Time Burden (Hr.)	20,160	56,242	-36,082	0
Annual Cost Burden (\$)	0	0	0	0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There is no publication data associated with FERC-725J information collection.

17. DISPLAY OF EXPIRATION DATE

The expiration dates are available on ferc.gov at <https://www.ferc.gov/information-collections>.

.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.