

Supporting Statement
**FERC-725E, Mandatory Reliability Standards for the Western Electric
Coordinating Council,
as modified by Docket No. RD26-5-000**

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. RD26-5-000 for three years. FERC-725E is an existing collection whose filing requirements are contained in 18 Code of Federal Regulations (CFR) Part 40.

On February 27, 2026, the North American Electric Reliability Corporation (NERC) and Western Electricity Coordinating Council (WECC) filed a joint petition seeking approval of the retirement of currently effective Regional Reliability Standard BAL-002-WECC-3 (Contingency Reserve) to become effective on the first day of the first quarter following the effective date of the Commission's order approving the proposed retirement.

**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 215.¹ 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).²

¹ *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).

² 16 U.S.C. 824o.

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.³ A Regional Entity is an entity that has been approved by the Commission to enforce Reliability Standards under delegated authority from the ERO.⁴ 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).⁵

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)⁶ 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)⁷ requires balancing authorities to document that time error corrections and primary inadvertent interchange payback were conducted according to the requirements in the standard.

³ 16 U.S.C. 824o(e)(4).

⁴ 16 U.S.C. 824o(a)(7) and (e)(4).

⁵ *North American Electric Reliability Corp.*, 119 FERC ¶ 61,260 (2007).

⁶ BAL-002-WECC-3 was approved under docket RM19-20 on April 15, 2021.

⁷ BAL-004-WECC-3 was approved under docket RD18-2 on May 30, 2018.

- FAC-501-WECC-2 (Transmission Maintenance)⁸ 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)⁹ 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.

NERC and WECC explain that “[t]he purpose of currently effective Regional Reliability Standard BAL-002-WECC-3 is to specify the quantity and types of Contingency Reserve required to ensure reliable operation of the Western Interconnection under normal and abnormal conditions.

Regional Reliability Standard BAL-002-WECC-3 requires applicable WECC entities to maintain reserves at levels that exceed those required under the continent-wide Reliability Standard BAL-002-3 –Disturbance Control Standard –Contingency Reserve for Recovery from a Balancing Contingency Event. Following a recent review of the regional standard, WECC identified that no technical basis supports the continued applicability of the standard, and that rather than advance reliability in the Western Interconnection, the regional standard may be presenting unnecessary challenges. WECC concluded that the retirement of Regional Reliability Standard BAL-002-WECC-3 would enhance reliability in the Western Interconnection by allowing resources that are currently required to be held as excess reserves to be used more efficiently to support reliable system operations, particularly as the resource mix continues to change with increasing levels of variable generation from Inverter-Based Resources (“IBR”), as well as serve other important public interests.²

Notice of NERC and WECC’s filing was published in the *Federal Register*, 91Fed. Reg.11302 (Mar. 9, 2026), with interventions and protests due on or before March 30, 2026. None was filed.

NERC and WECC’s uncontested filing is hereby approved pursuant to the relevant authority delegated to the Director of the Office of Electric Reliability under 18 C.F.R. §375.303(2025), effective as of the date of this order.

This action shall not be construed as approving any other application pursuant to 18 C.F.R. § 375.303(a)(2)(i). Such action shall not be deemed as recognition of any claimed

⁸ FAC-501-WECC-2 was approved under docket RD18-5 on May 30, 2018.

⁹ IRO-006-WECC-3 was approved under docket RD19-4 on May 10, 2019.

right or obligation associated therewith and such action is without prejudice to any findings or orders that have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against the Electric Reliability Organization or any Regional Entity.

The retirement of Regional Reliability Standard BAL-002-WECC-3 would increase the availability of reserves currently held as excess Contingency Reserves to better support system operations and manage variable generation concerns.³⁰ Retirement would also increase the restoration timeframe for Contingency Reserves after a contingency event occurs and increase an entity's ability to secure additional resources. Bulk-Power System reliability would continue to be maintained through the continent-wide Reliability Standard BAL-002-3 by requiring sufficient Contingency Reserves are maintained and a restoration timeframe that is compatible with market scheduling practices. Below is requirement-by-requirement summary explaining why the proposed standard should be retired. For additional support and information, please refer to the white paper, included as Exhibit B, to this filing. ³⁰ Supra note 11, Order No. 901 at P 11-15. 10 a. Retirement of Requirement R1 Requirement R1 of Regional Reliability Standard BAL-002-WECC-3 imposes more stringent Contingency Reserve requirements than the Contingency Reserve requirements in the continent-wide disturbance control standard, Reliability Standard BAL-002-3. Requirement R1 of Reliability Standard BAL-002-3 requires the Balancing Authority and Reserve Sharing Group to have a Contingency Reserve only up to its most severe single contingency ("MSSC") and does not require Contingency Reserve deployment beyond the MSSC. By contrast, Requirement R1 Part 1.1 of the Regional Reliability Standard requires the Balancing Authority and Reserve Sharing Group to maintain at a minimum the greater amount of Contingency Reserve equal to the loss of the MSSC or the amount of Contingency Reserve equal to the sum of 3% of hourly integrated load and 3% of hourly integrated generation. Because the Contingency Reserve must be the greater of either of these totals, entities could be required to hold reserves beyond that of MSSC. As a result, entities in the Western Interconnection can be required to hold Contingency Reserves that exceed what is required in the other interconnections. While this regional requirement is more stringent than the continent-wide requirement, WECC has concluded that it is not in fact necessary to ensure or advance reliability in the Western Interconnection. As noted above, the Contingency Reserve thresholds in Regional Reliability Standard BAL-002-WECC-3 are legacy requirements that were carried over from the MORC and long pre-date the development of the continent-wide Reliability Standard BAL-002-3. In its recent analysis of the regional standard, WECC has identified no technical justification or other foundation showing that holding more Contingency Reserves than what is required under Reliability Standard BAL-002-3 enhances the reliability of the Western Interconnection.³¹ WECC, ³¹ See Exhibit B, White Paper at 2. 11 however, has identified that requiring Contingency Reserves beyond the MSSC reduces the capacity available to meet other reliability needs in the Western Interconnection, such as load and resource balancing in

real time.³² A comparison of the hourly Contingency Reserve Requirement (calculated using 3% generation and 3% load) to MSSC, showed that there was more than 5,000 MW of capacity available during the summertime peak hours and between 2,000-2,500 MW during the remaining hours of the year.³³ In application, these excess reserves consist of significant amounts of generation that is dispatchable, frequency responsive, and fast ramping.³⁴ Generation that could be used to meet ramps, support the reliable integration of variable IBRs, or simply meet expected loads is instead committed to contingency reserve capacity that is not available to serve load.³⁵ Instead, these reserves are unused or unloaded generation that are in a state of readiness in case there is sudden loss of loaded generation. As a result, requiring entities to maintain more reserves than the MSSC restricts their ability to meet the immediate balancing needs of the Interconnection, and ultimately detracts from reliability. Retirement of this requirement in BAL-002-WECC-3 would allow more resources to be deployed more effectively to address real-time balancing needs and would promote a consistent continent-wide approach to Contingency Reserves as set forth in the continent-wide Reliability Standard BAL-002-3.³⁶ b. Requirement R2 Requirement R2 of Regional Reliability Standard BAL-002-WECC-3 was retired when this version of the standard was approved in 2021.³⁷ Requirement R2 was determined to be 32 33 34 35 36 37 See Id. at 22. See Id. at 16, Figure 1. See Id. at 17. Id. Id. at 22-23. Supra note 9, Order No. 876. 12 redundant as Requirement R1 of the then effective continent-wide Reliability Standard BAL 003.1.1.³⁸ The retirement was supported by the results of a field test WECC conducted to measure the effects of retiring Requirement R2, from which WECC determined that no degradation of performance occurred during the test period, and entities deployed enough reserves for post disturbance Area Control Area recovery.³⁹ A post-implementation informational filing further confirmed that the retirement of Requirement R2 did not have any unexpected, adverse impacts on contingency reserves in the Western Interconnection.⁴⁰ c. Retirement of Requirements R3 and R4 Requirements R3 and R4 of Regional Reliability Standard BAL-002-WECC-3 require the Balancing Authority and Reserve Sharing Group to restore Contingency Reserve within 60 minutes of the event initiating. In contrast, Reliability Standard BAL-002-3 requires the restoration of Contingency Reserve within 90 minutes following the end of the Contingency Event Recovery Period.⁴¹ As a result, Regional Reliability Standard BAL-002-WECC-3 requires the performance of the same task 45 minutes earlier than its continent-wide counterpart. This shortened restoration timeframe restricts an entity's ability to secure additional resources and may force entities into transactions in an arbitrarily shortened timeframe. The 60-minute restoration requirement, like the Contingency Reserve thresholds in Requirement R1, is a legacy provision that was carried over from the MORC. In 1996, when the MORC was developed, resource deployment was more flexible as transactions were bilateral and 38 39 40 Id. at P 2. Id. at PP 12-13. Compliance Filing of the N. Am. Elec. Reliability Corp. and Western Electricity Coordinating Council in Response to Order No. 876, Docket No. RM19-20-000 (Dec. 15, 2023). 41 Contingency Event Recovery Period is defined as: "A period that begins at the time that the resource output begins to decline within the first

one-minute interval of a Reportable Balancing Contingency Event, and extends for fifteen minutes thereafter.”¹³ could be executed more quickly.⁴² However, under today’s market practices, transactions take more time to execute as they require advanced schedules and must be submitted and approved well in advance; this limits the ability to replace lost resources on short notice.⁴³ WECC has identified no technical justification that supports a shortened restoration window as enhancing reliability in the Western Interconnection.⁴⁴ Instead, the 60-minute restoration requirement hurts liquidity and arbitrarily limits an entity’s time and ability to replace lost resources through market practices, which could result in an entity needing to enter an Energy Emergency Alert 345 to deploy Contingency Reserves in order to serve load.⁴⁶ In contrast, the Contingency Reserve Restoration Period⁴⁷ within the continent-wide Reliability Standard BAL-002-3 allows applicable entities to use normal market scheduling practices to replace lost generation.⁴⁸ For reasons stated more fully in the Commission’s proceeding approving that standard, the timeframe described in the Contingency Reserve Restoration Period is adequate for the reliable operation of the Bulk-Power System.⁴⁹

Retirement⁴² ⁴³ ⁴⁴ ⁴⁵ Exhibit B, White Paper at 17. *Id.* at 16-17. Energy Emergency Alert 3 is defined in EOP-011-4 Attachment 1(B)(3) as: (“Firm Load interruption is imminent or in progress. Circumstances: • The energy deficient Balancing Authority is unable to meet minimum Contingency Reserve requirements.”). ⁴⁶ See e.g., *Id.* at 17. From January 2020 through May 2024, WECC recorded 19 Energy Emergency Alert 3s for entities based in the United States, 7 of which involved entities tied to a Reserve Sharing Group. Based on data collected from these events, WECC estimates that up to 9 of the 19 Energy Emergency Alert 3s may not have been necessary if the BAL-002-WECC standard had been retired and only the continent-wide standard was enforceable.

⁴⁷ Contingency Reserve Restoration Period is defined as: (“A period not exceeding 90 minutes following the end of the Contingency Event Recovery Period.”). ⁴⁸ ⁴⁹ Exhibit B, White Paper at 17. Order No. 835, Disturbance Control Standard-Contingency Reserve for Recovery from a Balancing Contingency Event Reliability Standard, 158 FERC ¶ 61,030 (2017) (Order approving BAL-002-2 and the term Contingency Reserve Restoration Period); Information Filing of the N. Am. Elec. Reliability Corp. Regarding Implementation of Reliability Standard BAL-002-2, Docket Nos. RM16-7; RD18-7 (Jan. 20, 2020) at 4 (“NERC found that there were no events reported with additional megawatt losses following Reportable Balancing Contingency Events during the Contingency Reserve Restoration Period.”). 14 of Requirements R3 and R4 in BAL-002-WECC-3 would allow entities in the Western Interconnection more time to restore Contingency Reserve and to use normal established market scheduling practices.⁵⁰ The retirement of Regional Reliability Standard BAL-002-WECC-3 would ensure there is a consistent approach regarding Contingency Reserve restoration requirements across all the interconnections. It would also give entities within the Western Interconnection more time to react to a contingency event and determine how to properly restore their lost resources. Reliability in the Western Interconnection would be maintained under

Reliability Standard BAL-002-3 and could be enhanced by allowing more operational flexibility and efficient use of excess resources.

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 508.¹⁰

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

The Reliability Standard requires balancing authorities and reserve sharing groups to document compliance with contingency reserve requirements. The standard specifies the quantity and types of contingency reserve required to ensure reliability under normal and

¹⁰ See https://www.nerc.com/globalassets/who-we-are/regional-delegation-agreements/wecc_bylaws.pdf

abnormal conditions. As stated above, aside from eliminating regional Reliability Standard BAL-002-WECC-3 retains the other 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. 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. RD26-5-000.

The 60-day notice was published in the Federal Register on May 6, 2026 (91 FR 24540). 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 August 27, 2026 (89 FR 54865).

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

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

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

According to the NERC Rules of Procedure¹¹, "...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

¹¹ Section 1502, Paragraph 2, available at NERCs website.

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 for a reduction in burden under 725E are specific to just BAL-002-WECC-3 entities no longer needing to be compliant with the applicable Requirements. Additionally, the estimate used information from the NERC Compliance Registry Summary of Entities as of February 9, 2026.

The individual burden estimates include the time needed to gather data, run studies, and analyze study results. These are consistent with estimates for similar tasks in other Commission-approved standards. Estimates for the additional average annual burden and cost¹² as follows:

FERC-725E, Mandatory Reliability Standards for the Western Electric Coordinating Council, Retirement of BAL-002-WECC-3 Changes in Docket No. RD26-5-000					
Reliability Standard or Process	Type and Number of Entities¹³ (1)	Annual Number of Responses per Entity (2)	Total Number of Responses (1)*(2)=(3)	Average Burden Hrs. & Cost (\$) Per Response (4)	Total Annual Burden Hours & Cost (\$) (rounded) (3)*(4)=(5)

¹² 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: 75% of the average of an Electrical Engineer (17-2071) \$71.19/hr., x .75 = 53.3925 (\$53.39-rounded) (\$53.39/hour); and 25% of an Information and Record Clerk (43-4199) \$40.51/hr., \$40.51 x .25 = 10.1275 (\$10.13 rounded) (\$10.13/hour), for a total (\$53.39+\$10.13 = \$63.52/hour).

Annual review and record retention	34 (BA)	1	34	12 hrs.; \$762.24	408 hrs.; \$25,916
	1 (RSG)	1	1	1 hrs.; \$63.52	1 hrs.; \$64
TOTAL for retirement BAL-002-WECC-3			35		409 hrs; \$25,980

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 ¹⁴ Administrative Cost		\$8,404
FERC Total		\$8,404

¹³ The “Number of Entity” data is compiled from the February 9, 2026, edition of the NERC Compliance Registry. “BA” means balancing authority; “RSG” means reserve sharing group.

¹⁴ 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.

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

The retirement of BAL-002-WECC-03 reflects a reduction in the total responses and hours for the WECC standards because of the removal of the WECC standard. In the future all WECC standards that remain in FERC-725E will have specified burden for each standard.

The table representing the changes below reflects the table in ROCIS.

FERC-725E	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	1,209	1,244	0	-35
Annual Time Burden (Hr.)	1,949	2,358	0	-409
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 <https://www.ferc.gov/information-collections>.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.