

158 FERC ¶ 61,042  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 40

[Docket No. RM16-20-000]

Remedial Action Schemes Reliability Standard

(January 19, 2017)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Federal Energy Regulatory Commission proposes to approve Reliability Standard PRC-012-2 (Remedial Action Schemes) submitted by the North American Electric Reliability Corporation. The purpose of proposed Reliability Standard PRC-012-2 is to ensure that remedial action schemes do not introduce unintentional or unacceptable reliability risks to the bulk electric system.

DATES: Comments are due **[INSERT DATE 60 days after publication in the FEDERAL REGISTER]**

ADDRESSES: Comments, identified by docket number, may be filed in the following ways:

- Electronic Filing through <http://www.ferc.gov>. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format.

- Mail/Hand Delivery: Those unable to file electronically may mail or hand-deliver comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street, NE, Washington, DC 20426.

*Instructions:* For detailed instructions on submitting comments and additional information on the rulemaking process, see the Comment Procedures Section of this document.

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**SUPPLEMENTARY INFORMATION:**

158 FERC ¶ 61,042  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Remedial Action Schemes Reliability Standard

Docket No. RM16-20-000

NOTICE OF PROPOSED RULEMAKING

(January 19, 2017)

1. Pursuant to section 215 of the Federal Power Act (FPA), the Commission proposes to approve proposed Reliability Standard PRC-012-2 (Remedial Action Schemes). The North American Electric Reliability Corporation (NERC), the Commission-certified Electric Reliability Organization (ERO), submitted proposed Reliability Standard PRC-012-2 for approval. The purpose of proposed Reliability Standard PRC 012-2 is to ensure that remedial action schemes (RAS) do not introduce unintentional or unacceptable reliability risks to the bulk electric system. In addition, the Commission proposes to approve the associated violation risk factors and violation severity levels, implementation plan, and effective date proposed by NERC. NERC also submitted proposals to retire two currently-effective Reliability Standards and to withdraw three Reliability Standards that are pending review before the Commission. While proposing to approve Reliability Standard PRC-012-2, the Commission seeks clarifying comments addressing “limited impact” RAS. Based on comments and information received, the Commission may issue directives as appropriate.

**I. Background****A. Section 215 and Mandatory Reliability Standards**

2. Section 215 of the FPA requires a Commission-certified ERO to develop mandatory and enforceable Reliability Standards, subject to Commission review and approval.<sup>1</sup> Once approved, the Reliability Standards may be enforced by the ERO subject to Commission oversight, or by the Commission independently.<sup>2</sup> In 2006, the Commission certified NERC as the ERO pursuant to section 215 of the FPA.<sup>3</sup>

**B. Order No. 693**

3. On March 16, 2007, the Commission issued Order No. 693, approving 83 of the 107 Reliability Standards filed by NERC, including Reliability Standards PRC-015-1 (Remedial Action Scheme Data and Documentation) and PRC-016-1 (Remedial Action Scheme Misoperation).<sup>4</sup> Reliability Standard PRC-015-1 requires transmission owners, generator owners, and distribution providers to maintain a listing; retain evidence of review; and provide documentation of existing, new or functionally modified special

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<sup>1</sup> 16 U.S.C. 824o(c), (d) (2012).

<sup>2</sup> *Id.* 824o(e).

<sup>3</sup> *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062 (ERO Certification Order), *order on reh'g and compliance*, 117 FERC ¶ 61,126 (2006), *order on compliance*, 118 FERC ¶ 61,190, *order on reh'g*, 119 FERC ¶ 61,046 (2007), *aff'd sub nom. Alcoa Inc. v. FERC*, 564 F.3d 1342 (D.C. Cir. 2009).

<sup>4</sup> *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. and Regs. ¶ 31,242, *order on reh'g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007).

protection systems.<sup>5</sup> Reliability Standard PRC-016-1 requires transmission owners, generator owners, and distribution providers to provide the regional reliability organization with documentation, analyses and corrective action plans for misoperation of special protection systems.<sup>6</sup>

4. In Order No. 693, the Commission determined that proposed Reliability Standard PRC-012-0 was a “fill-in-the-blank” Reliability Standard because, while it was proposed to require regional reliability organizations to ensure that all special protection systems are properly designed, meet performance requirements, and are coordinated with other protection systems, NERC had not submitted any regional review procedures with this standard.<sup>7</sup> The Commission also determined that proposed Reliability Standard PRC-013-0 was a “fill-in-the-blank” Reliability Standard because, although it was proposed to ensure that all special protection systems are properly designed, meet performance requirements, and are coordinated with other protection systems by requiring the regional reliability organization to maintain a database of information on special protection systems, NERC had not filed any regional procedures for maintaining

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<sup>5</sup> *Id.* PP 1529-1533.

<sup>6</sup> *Id.* PP 1534-1540.

<sup>7</sup> *Id.* PP 1517-18, 1520. The Commission used the term “fill-in-the-blank” standards to refer to proposed Reliability Standards that required the regional reliability organizations to develop at a later date criteria for use by users, owners or operators within each region. *Id.* P 297.

the databases.<sup>8</sup> Further, the Commission determined that proposed Reliability Standard PRC-014-0 was a “fill-in-the-blank” Reliability Standard because, while it was proposed to ensure that special protection systems are properly designed, meet performance requirements, and are coordinated with other protection systems by requiring the regional reliability organization to assess and document the operation, coordination, and compliance with NERC Reliability Standards and effectiveness of special protection systems at least once every five years, NERC had not submitted any regional procedures for this assessment and documentation.<sup>9</sup> The Commission stated that it would not approve or remand proposed Reliability Standards PRC-012-0, PRC-013-0 or PRC-014-0 until NERC submitted the additional necessary information to the Commission.<sup>10</sup>

**C. Remedial Action Schemes**

5. On June 23, 2016, the Commission approved NERC’s revision to NERC Glossary of Terms that redefines special protection system to have the same definition as RAS, effective April 1, 2017.<sup>11</sup> Effective April 1, 2017, the NERC Glossary of Terms will define Remedial Action Scheme to mean:

A scheme designed to detect predetermined System

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<sup>8</sup> *Id.* PP 1521, 1522, 1524.

<sup>9</sup> *Id.* PP 1525, 1526, 1528.

<sup>10</sup> *Id.* PP 1520, 1524, 1528.

<sup>11</sup> *N. Am. Elec. Reliability Corp.*, Docket No. RD16-5-000 (June 23, 2016) (delegated letter order); NERC Glossary of Terms, [http://www.nerc.com/files/glossary\\_of\\_terms.pdf](http://www.nerc.com/files/glossary_of_terms.pdf).

conditions and automatically take corrective actions that may include, but are not limited to, adjusting or tripping generation (MW and Mvar), tripping load, or reconfiguring a System(s). RAS accomplish objectives such as:

- Meet requirements identified in the NERC Reliability Standards;
- Maintain Bulk Electric System (BES) stability;
- Maintain acceptable BES voltages;
- Maintain acceptable BES power flows;
- Limit the impact of Cascading or extreme events.<sup>12</sup>

The revised RAS definition also identifies fourteen items that do not individually constitute a RAS.

**D. NERC Petition and Proposed Reliability Standard PRC-012-2**

6. On August 5, 2016, NERC submitted a petition seeking Commission approval of proposed Reliability Standard PRC-012-2.<sup>13</sup> NERC contends that proposed Reliability Standard PRC-012-2 is just, reasonable, not unduly discriminatory or preferential, and in the public interest.<sup>14</sup> NERC explains that the intent of proposed Reliability Standard PRC-012-2 is to supersede “pending” Reliability Standards PRC-012-1, PRC-013-1, and PRC-014-1 and to retire and replace currently-effective Reliability Standards PRC-015-1

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<sup>12</sup> NERC Glossary of Terms, [http://www.nerc.com/files/glossary\\_of\\_terms.pdf](http://www.nerc.com/files/glossary_of_terms.pdf); *see also Revisions to Emergency Operations Reliability Standards; Revisions to Undervoltage Load Shedding Reliability Standards; Revisions to the Definition of “Remedial Action Scheme” and Related Reliability Standards*, Order No. 818, 153 FERC ¶ 61,228, at PP 24, 31 (2015).

<sup>13</sup> Proposed Reliability Standard PRC-012-2 is not attached to this Notice of Proposed Rulemaking. The proposed Reliability Standard is available on the Commission’s eLibrary document retrieval system in Docket No. RM16-20-000 and is posted on NERC’s website, <http://www.nerc.com>.

<sup>14</sup> NERC Petition at 2.

and PRC-016-1.<sup>15</sup> NERC states that proposed Reliability Standard PRC-012-2 represents substantial improvements over these Reliability Standards because it streamlines and consolidates existing requirements; corrects the applicability of previously unapproved Reliability Standards; and implements a continent-wide RAS review program.<sup>16</sup>

7. NERC states that, in the United States, proposed Reliability Standard PRC-012-2 will apply to reliability coordinators, planning coordinators, and RAS-entities. Proposed Reliability Standard PRC-012-2 defines RAS-entities to include the transmission owner, generation owner, or distribution provider that owns all or part of a RAS.

8. NERC states that proposed Reliability Standard PRC-012-2 includes nine requirements that combine all existing (both effective and “pending”) Reliability Standards into a single, consolidated, continent-wide Reliability Standard to address all aspects of RAS.<sup>17</sup> NERC states that all of the requirements in Reliability Standard PRC-012-1 except R2 are now covered in Requirements R1, R2, R3, R4, R5, R6, and R8 of proposed Reliability Standard PRC-012-2.<sup>18</sup> NERC explains that Reliability Standard PRC-012-1, Requirement R2 is “administrative in nature and does not contribute to

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<sup>15</sup> NERC notes that it submitted “for completeness” revised versions of Reliability Standards PRC-012-1, PRC-013-1, and PRC-014-1 in its petition to revise the definition of RAS, but NERC did not request Commission approval of the revised Reliability Standards in that proceeding. *Id.* at 1 n.5.

<sup>16</sup> *Id.* at 12-13.

<sup>17</sup> *Id.* at 3.

<sup>18</sup> *Id.* at 40.

reliability.”<sup>19</sup> NERC also states that it established Requirement R9 of proposed Reliability Standard PRC-012-2 to replace the mandate in Reliability Standard PRC-013-1 that responsible entities maintain a RAS database with pertinent technical information for each RAS.<sup>20</sup> NERC explains that proposed Reliability Standard PRC-012-2 Requirements R4 and R6 cover the review and the mandate to take corrective action required by Reliability Standard PRC-014-1.<sup>21</sup> NERC states that it integrated the performance requirements in Reliability Standard PRC-015-1 into proposed Reliability Standard PRC-012-2 Requirements R1, R2, and R3.<sup>22</sup> NERC maintains that it integrated the performance requirements in Reliability Standard PRC-016-1 into proposed Reliability Standard PRC-012-2 Requirements R5, R6, and R7.<sup>23</sup>

9. NERC explains how the nine Requirements in proposed Reliability Standard PRC-012-2 work together and with other Reliability Standards. Proposed Requirements R1, R2, and R3, together, establish a process for the reliability coordinator to review new or modified RAS schemes.<sup>24</sup> The reliability coordinator must complete the review before an entity places a new or functionally modified RAS into service.

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<sup>19</sup> *Id.* at 41.

<sup>20</sup> *Id.* at 42.

<sup>21</sup> *Id.* at 43.

<sup>22</sup> *Id.* at 43-44.

<sup>23</sup> *Id.* at 44-45.

<sup>24</sup> *Id.* at 15-18.

10. Proposed Requirement R4 requires the planning coordinator to perform a periodic evaluation of each RAS within its planning area, at least once every five years.<sup>25</sup> The evaluation must determine, *inter alia*, whether each RAS: (1) mitigates the system conditions or contingencies for which it was designed; and (2) avoids adverse interactions with other RAS and protection systems. Proposed Requirement R4, Part 4.1.3 footnote 1 defines a certain subset of RAS as “limited impact” RAS to mean “A RAS designated as limited impact cannot, by inadvertent operation or failure to operate, cause or contribute to BES Cascading, uncontrolled separation, angular instability, voltage instability, voltage collapse, or unacceptably damped oscillations.”<sup>26</sup> Further, proposed Requirement R4, Parts 4.1.3, 4.1.4, and 4.1.5 provide certain exceptions to “limited impact” RAS. For example, Part 4.1.5 states that:

Except for limited impact RAS, a single component failure in the RAS, when the RAS is intended to operate does not prevent the BES from meeting the same performance requirements (defined in Reliability Standard TPL-001-4 or its successor) as those required for the events and conditions for which the RAS is designed.<sup>27</sup>

NERC explains that proposed Requirement R4 “does not supersede or modify [planning coordinator] responsibilities under Reliability Standard TPL-001-4.”<sup>28</sup> NERC continues

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<sup>25</sup> *Id.* at 18-22.

<sup>26</sup> *Id.* at 19 & n.44.

<sup>27</sup> *Id.* at 19.

<sup>28</sup> *Id.* at 28.

that even though Part 4.1.5 exempts “limited impact” RAS from certain aspects of proposed Requirement R4, proposed Reliability Standard PRC-012-2 does not exempt “limited impact” RAS from meeting each of the performance requirements in Reliability Standard TPL-001-4.<sup>29</sup>

11. NERC states that prior to development of proposed Reliability Standard PRC-012-2, two NERC Regions, the Northeast Power Coordinating Council (NPCC) and the Western Electric Coordinating Council (WECC), used individual RAS classification regimes to identify RAS that would meet criteria similar to those for RAS described as “limited impact” in proposed Reliability Standard PRC-012-2.<sup>30</sup> NERC continues that the standard drafting team identified the Local Area Protection Scheme (LAPS) classification in WECC and the Type III classification in NPCC as consistent with the “limited impact” designation.<sup>31</sup> According to NERC, RAS implemented prior to the effective date of proposed Reliability Standard PRC-012-2 that have gone through the regional review processes of WECC or NPCC and that are classified as either a LAPS by WECC or a Type III by NPCC, would be considered a “limited impact” RAS for purposes of proposed Reliability Standard PRC-012-2.<sup>32</sup>

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<sup>29</sup> *Id.* at 28-29.

<sup>30</sup> *Id.* at 25.

<sup>31</sup> *Id.* at 25-26.

<sup>32</sup> *Id.* at 26.

12. Proposed Requirements R5, R6, and R7 pertain to the analysis of each RAS operation or misoperation.<sup>33</sup> The RAS-entity must perform an analysis of each RAS operation or misoperation and provide the results to the reviewing reliability coordinator. Further, the RAS-entity must develop and submit a corrective action plan to the reviewing reliability coordinator after learning of a deficiency with its RAS, implement the corrective action plan, and update it as necessary. Proposed Requirement R8 requires periodic testing of RAS performance: every six years for normal RAS and 12 years for “limited impact” RAS.<sup>34</sup> Proposed Requirement R9 requires the reliability coordinator to annually update its RAS database.<sup>35</sup>

13. NERC proposes an implementation plan that includes an effective date for proposed Reliability Standard PRC-012-2 that is the first day of the first calendar quarter that is thirty-six months after the date that the Commission approves the proposed Reliability Standard. Concurrent with the effective date, the implementation plan calls for the retirement of currently-effective Reliability Standards PRC-015-1 and PRC-016-1 and withdrawal of “pending” Reliability Standards PRC-012-1, PRC-013-1, and PRC-014-1.

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<sup>33</sup> *Id.* at 29-34.

<sup>34</sup> *Id.* at 34-36.

<sup>35</sup> *Id.* at 36-38.

## II. Discussion

14. Pursuant to section 215(d)(2) of the FPA, we propose to approve proposed Reliability Standard PRC-012-2 as just, reasonable, not unduly discriminatory or preferential, and in the public interest. We also propose to approve the associated violation risk factors and violation severity levels, implementation plan, and effective date proposed by NERC. Further, we propose to approve the withdrawal of “pending” Reliability Standards PRC-012-1, PRC-013-1, and PRC-014-1 and retirement of currently-effective Reliability Standards PRC-015-1 and PRC-016-1, as proposed by NERC.

15. Proposed Reliability Standard PRC-012-2 enhances reliability by addressing all aspects of RAS in a single, continent-wide Reliability Standard and by assigning specific RAS responsibilities to appropriate functional entities. Accordingly, proposed Reliability Standard PRC-012-2 satisfies the relevant directive in Order No. 693. In addition, we agree with NERC that Reliability Standards PRC-015-1 and PRC-016-1 can be retired as proposed in the implementation plan due to their consolidation with proposed Reliability Standard PRC-012-2.

16. NERC’s petition states that proposed Reliability Standard PRC-012-2 does not exempt “limited impact” RAS from meeting all system performance requirements of Reliability Standard TPL-001-4. We propose to clarify that, consistent with NERC’s explanation, proposed Reliability Standard PRC-012-2 will not modify or supersede any

system performance obligations under Reliability Standard TPL-001-4.<sup>36</sup> For example, under Reliability Standard TPL-001-4, Table 1 non-consequential load loss may not exceed 75 MW for certain Category P1, P2, or P3 contingencies following the Reliability Standard TPL-001-4 stakeholder process.<sup>37</sup> We seek comment on this proposal.

17. We also seek comment on the processes used to ensure the LAPS or Type III RAS will be compliant with Reliability Standard TPL-001-4 prior to the effective date of Reliability Standard PRC-012-2, including a description of considerations on whether the load disconnected by each RAS installation is consequential or non-consequential, and if non-consequential load loss is greater than 75 MW.<sup>38</sup> We further seek comment on whether the term “limited impact RAS” should be defined in the Glossary of Terms Used in NERC Reliability Standards.

### **III. Information Collection Statement**

18. The collection of information addressed in this Notice of Proposed Rulemaking is subject to review by the Office of Management and Budget (OMB) under section 3507(d)

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<sup>36</sup> See NERC Petition at 28 (“Requirement R4 of PRC-012-2 does not supersede or modify [planning coordinator] responsibilities under Reliability Standard TPL-001-4...”).

<sup>37</sup> Reliability Standard TPL-001-4, Table 1 (Steady State & Stability Performance Extreme Events), footnote 12 and Attachment 1.

<sup>38</sup> The Commission notes that WECC’s and NPCC’s RAS criteria and associated regional terms found in the “Technical Justification” section of proposed Reliability Standard PRC-012-2 were not submitted for approval by NERC and as such are not part of this proceeding.

of the Paperwork Reduction Act of 1995.<sup>39</sup> OMB's regulations require approval of certain information collection requirements imposed by agency rules.<sup>40</sup> Upon approval of a collection(s) of information, OMB will assign an OMB control number and an expiration date. Respondents subject to the filing requirements of a rule will not be penalized for failing to respond to these collections of information unless the collections of information display a valid OMB control number.

19. The Commission will submit the information collection requirement to OMB for its final review and approval. The Commission solicits public comments on the need for this information, whether the information will have practical utility, the accuracy of the burden estimates, ways to enhance the quality, utility, and clarity of the information to be collected or retained, and any suggested methods for minimizing respondents' burden, including the use of automated information techniques.

20. The information collection requirements in this Notice of Proposed Rulemaking in Docket No. RM16-20-000 is associated with FERC-725A (OMB Control No. 1902-0244) and FERC-725G (OMB Control No. 1902-0252).

21. Public Reporting Burden: The Commission proposes to approve Reliability Standard PRC-012-2. The proposed Reliability Standard PRC-012-2 consolidates so-called "fill-in-the-blank" Reliability Standards PRC-012-1, PRC-013-1 and PRC-014-1, as well as, Commission-approved Reliability Standards PRC-015-1 and PRC-016-1, into

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<sup>39</sup> 44 U.S.C. 3507(d) (2012).

<sup>40</sup> 5 CFR 1320.11 (2016).

one standard. The proposed Reliability Standard PRC-012-2 improves upon the existing standards because it removes ambiguity in NERC's original "fill-in-the-blank" Reliability Standards by assigning responsibility to appropriate functional entities. It also streamlines and consolidates the RAS Reliability Standards into one clear, effective Reliability Standard. The number of respondents below is based on an examination of the NERC compliance registry for reliability coordinators, planning coordinators, transmission owners, generation owners, and distribution providers and an estimation of how many entities from that registry will be affected by the proposed Reliability Standard. At the time of Commission review of proposed Reliability Standard PRC-012-2, 15 reliability coordinators, 71 planning coordinators, 328 transmission owners, 930 generation owners, and 367 distribution providers in the United States were registered in the NERC compliance registry. However, under NERC's compliance registration program, entities may be registered for multiple functions, so these numbers incorporate some double counting. The Commission notes that many generation sites share a common generation owner. The following table illustrates the estimated burden to be applied to the information collection.<sup>41</sup>

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<sup>41</sup> In the burden table, engineering is abbreviated as "Eng." and record keeping is abbreviated as "R.K."

<b>RM16-20-000 (Mandatory Reliability Standards: Reliability Standard PRC-012-2)</b>					
<b>Requirement and Respondent Category for PRC-012-2</b>	<b>Number of Respondents (1)</b>	<b>Number of Responses per Respondent (2)</b>	<b>Total Number of Responses (1)*(2)=(3)</b>	<b>Average Burden Hours &amp; Cost per Response<sup>42</sup> (4)</b>	<b>Annual Burden Hours &amp; Total Annual Cost (3)*(4)=(5)</b>
R1. Each RAS-entity (TO, GO, DP)	1,595	1	1,595	(Eng.) 24 hrs. (\$1,543); (R.K.) 12 hrs. (\$453)	57,420 hrs. (38,280 Eng., 19,140 R.K.); \$3,183,556 (\$2,461,021 Eng., \$722,535 R.K.)
R2. Each Reliability Coordinator	15	1	15	(Eng.) 16 hrs. (\$1,029); (R.K.) 4 hrs. (\$151)	300 hrs. (240 Eng., 60 R.K.); \$17,695 (\$15,430 Eng., \$2,265 R.K.)
R4. Each Planning Coordinator	71	1	71	(Eng.) 16 hrs. (\$1,029); (R.K.) 4 hrs. (\$151)	1,420 hrs. (1,136 Eng., 284 R.K.); \$85,754 (\$73,033 Eng., \$10,721 R.K.)
R5, R6, R7, and R8. Each RAS-entity (TO, GO, DP)	1,595	1	1,595	(Eng.) 24 hrs. (\$1,543); (R.K.) 12 hrs. (\$453)	57,420 hrs. (38,280 Eng., 19,140 R.K.); \$3,183,556 (\$2,461,021 Eng., \$722,535 R.K.)
R9. Each Reliability Coordinator	15	1	15	(Eng.) 10 hrs. (\$653); (R.K.) 4 hrs. (\$151)	210 hrs. (150 Eng., 60 R.K.); \$11,909 (\$9,644 Eng., \$2,265 R.K.)
<b>TOTAL</b>			<b>3,291</b>		<b>116,770 hrs. (78,086 Eng., 38,684 R.K.); \$6,480,470 (\$5,020,149 Eng., \$1,460,321 R.K.)</b>

Title: FERC-725A (Mandatory Reliability Standards); FERC-725G (Mandatory Reliability Standards: PRC-012-2)

Action: Revision to existing collections.

OMB Control No: 1902-0244 (FERC-725A); 1902-0252 (FERC-725G)

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<sup>42</sup> The estimates for cost per response are derived using the following formula: Burden Hours per Response \* \$/hour = Cost per Response. The \$64.29/hour figure for an engineer and the \$37.75/hour figure for a record clerk are based on the average salary plus benefits data from the Bureau of Labor Statistics.

Respondents: Business or other for profit, and not for profit institutions.

Frequency of Responses: Annually

Necessity of the Information: Proposed Reliability Standard PRC-012-2 sets forth Requirements for remedial action schemes to ensure that remedial action schemes do not introduce unintentional or unacceptable reliability risks to the bulk electric system and are coordinated to provide the service to the system as intended.

Internal review: The Commission has assured itself, by means of its internal review, that there is specific, objective support for the burden estimates associated with the information requirements.

22. Interested persons may obtain information on the reporting requirements by contacting the Federal Energy Regulatory Commission, Office of the Executive Director, 888 First Street, NE, Washington, DC 20426 [Attention: Ellen Brown, e-mail: DataClearance@ferc.gov, phone: (202) 502-8663, fax: (202) 273-0873].

23. Comments concerning the information collection proposed in this Notice of Proposed Rulemaking and the associated burden estimates should be sent to the Commission in this docket and may also be sent to the Office of Management and Budget, Office of Information and Regulatory Affairs [Attention: Desk Officer for the Federal Energy Regulatory Commission]. For security reasons, comments should be sent by e-mail to OMB at the following e-mail address: oira\_submission@omb.eop.gov. Please reference FERC-725A and FERC-725G and the docket number of this Notice of Proposed Rulemaking (Docket No. RM16-20-000) in your submission.

**IV. Environmental Analysis**

24. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.<sup>43</sup> The action proposed here falls within the categorical exclusion in the Commission's regulations for rules that are clarifying, corrective or procedural, for information gathering, analysis, and dissemination.<sup>44</sup>

**V. Regulatory Flexibility Act**

25. The Regulatory Flexibility Act of 1980 (RFA)<sup>45</sup> generally requires a description and analysis of proposed rules that will have significant economic impact on a substantial number of small entities.

26. The proposed Reliability Standard PRC-012-2 will apply to approximately 1681 entities in the United States. Comparison of the applicable entities with the Commission's small business data indicates that approximately 1,025 are small entities or 61 percent of the respondents affected by proposed Reliability Standard PRC-012-2.<sup>46</sup>

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<sup>43</sup> *Regulations Implementing the National Environmental Policy Act of 1969*, Order No. 486, 52 FR 47897 (Dec. 17, 1987), FERC Stats. & Regs. Preambles 1986-1990 ¶ 30,783 (1987).

<sup>44</sup> 18 CFR 380.4(a)(2)(ii) (2016).

<sup>45</sup> 5 U.S.C. 601-612 (2012).

<sup>46</sup> The Small Business Administration sets the threshold for what constitutes a small business. Public utilities may fall under one of several different categories, each with a size threshold based on the company's number of employees, including affiliates, the parent company, and subsidiaries. For the analysis in this Notice of Proposed Rulemaking, we apply a 500 employee threshold for each affected entity. Each entity is (*continued ...*)

The Commission estimates for these small entities, proposed Reliability Standard PRC-012-2 may need to be evaluated and documented every five years with a cost of \$6,322 for each evaluation. The Commission views this as a minimal economic impact for each entity. Accordingly, the Commission certifies that the proposed Reliability Standard PRC-012-2 will not have a significant economic impact on a substantial number of small entities.

#### **VI. Comment Procedures**

27. The Commission invites interested persons to submit comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. Comments are due [**INSERT DATE 60 days after publication in the FEDERAL REGISTER**]]. Comments must refer to Docket No. RM16-20-000, and must include the commenter's name, the organization they represent, if applicable, and their address in their comments.

28. The Commission encourages comments to be filed electronically via the eFiling link on the Commission's web site at <http://www.ferc.gov>. The Commission accepts most standard word processing formats. Documents created electronically using word processing software should be filed in native applications or print-to-PDF format and not in a scanned format. Commenters filing electronically do not need to make a paper filing.

29. Commenters that are not able to file comments electronically must send an original of their comments to: Federal Energy Regulatory Commission, Secretary of the Commission, 888 First Street NE, Washington, DC 20426.

30. All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

## **VII. Document Availability**

31. In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through the Commission's Home Page (<http://www.ferc.gov>) and in the Commission's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, NE, Room 2A, Washington, DC 20426.

32. From the Commission's Home Page on the Internet, this information is available on eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

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By direction of the Commission.

( S E A L )

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