

**§ 71.1 [Amended]**

■ 2. The incorporation by reference in 14 CFR 71.1 of FAA Order 7400.9Y, Airspace Designations and Reporting Points, dated August 6, 2014 and effective September 15, 2014, is amended as follows:

*Paragraph 6005 Class E Airspace Areas Extending Upward From 700 Feet or More Above the Surface of the Earth.*

\* \* \* \* \*

**ASW TX E5 Sonora, TX [New]**

JL Bar Ranch Airport, TX

(Lat. 30°34'06" N., long. 100°26'39" W.)

That airspace extending upward from 700 feet above the surface within a 6.5-mile radius of JL Bar Ranch Airport.

Issued in Fort Worth, TX, on November 13, 2014.

**Robert W. Beck,**

*Manager, Operations Support Group, ATO Centrice Service Center.*

[FR Doc. 2014-27973 Filed 11-25-14; 8:45 am]

**BILLING CODE 4901-14-P**

**DEPARTMENT OF ENERGY****Federal Energy Regulatory Commission****18 CFR Part 40**

[Docket No. RM14-10-000]

**Real Power Balancing Control Performance Reliability Standard**

**AGENCY:** Federal Energy Regulatory Commission, DOE.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Federal Energy Regulatory Commission proposes to approve Reliability Standard BAL-001-2 (Real Power Balancing Control Performance) and proposed new definitions submitted by the North American Electric Reliability Corporation (NERC). The proposed Reliability Standard is designed to ensure that applicable entities maintain system frequency within narrow bounds around a scheduled value. In addition, the Commission proposes that NERC submit an informational filing that would address the impact of the proposed Reliability Standard on inadvertent interchange and unscheduled power flows.

**DATES:** Comments are due January 26, 2015.

**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.

**FOR FURTHER INFORMATION CONTACT:**

Enakpodia Agbedia (Technical Information), Office of Electric Reliability, Division of Reliability Standards, Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426, Telephone: (202) 502-6750, [Enakpodia.Agbedia@ferc.gov](mailto:Enakpodia.Agbedia@ferc.gov).

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**SUPPLEMENTARY INFORMATION:**

1. Under section 215 of the Federal Power Act (FPA),<sup>1</sup> the Commission proposes to approve Reliability Standard BAL-001-2 (Real Power Balancing Control Performance) that the North American Electric Reliability Corporation (NERC), the Commission-certified Electric Reliability Organization (ERO), submitted for approval. The proposed Reliability Standard applies to balancing authorities and regulation reserve sharing groups, and is designed to maintain Interconnection frequency within predefined frequency limits. The Commission also proposes to approve the retirement of currently-effective Reliability Standard BAL-001-1 immediately prior to the effective date of BAL-001-2.

2. Further, the Commission proposes to approve NERC's four proposed definitions, associated violation risk factors and violation severity levels, implementation plan, and effective dates. The Commission also proposes that NERC submit an informational filing that would address the impact of the proposed Reliability Standard on inadvertent interchange<sup>2</sup> and unscheduled power flows.<sup>3</sup>

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

<sup>2</sup> NERC defines "Inadvertent Interchange" in the NERC Glossary of Terms Used in Reliability Standards (Glossary) as "[t]he difference between the Balancing Authority's Net Actual Interchange and Net Scheduled Interchange. (I<sub>A</sub> - I<sub>S</sub>)"

<sup>3</sup> "Unscheduled power flows" generally refers to the power flows that result from the law of physics

**I. Background****A. Mandatory Reliability Standards and Order No. 693 Directive**

3. Section 215 of the FPA requires a Commission-certified Electric Reliability Organization (ERO) to develop mandatory and enforceable Reliability Standards that are subject to Commission review and approval. Specifically, the Commission may approve, by rule or order, a proposed Reliability Standard or modification to a Reliability Standard if it determines that the Standard is just, reasonable, not unduly discriminatory or preferential and in the public interest.<sup>4</sup> Once approved, the Reliability Standards may be enforced by NERC, subject to Commission oversight, or by the Commission independently.<sup>5</sup>

4. Pursuant to section 215 of the FPA, the Commission established a process to select and certify an ERO,<sup>6</sup> and subsequently certified NERC.<sup>7</sup> On March 16, 2007, the Commission issued Order No. 693, approving 83 of the 107 Reliability Standards filed by NERC, including BAL-001-0 and a companion standard BAL-002-0.<sup>8</sup> When approving BAL-002-0, the Commission directed NERC "to modify this Reliability Standard to define a significant deviation and a reportable event, taking into account all events that have an impact on frequency, *e.g.*, loss of supply, loss of load and significant scheduling problems, which can cause frequency disturbances and to address how balancing authorities should respond."<sup>9</sup>

**B. Proposed Reliability Standard BAL-001-2**

5. On April 2, 2014, NERC filed a petition (Petition) seeking approval of proposed Reliability Standard BAL-001-2, four new definitions to be added to the Glossary of Terms used in NERC Reliability Standards (NERC Glossary of

that causes power from a given source to flow over all possible paths to its destination.

<sup>4</sup> 16 U.S.C. 824o(d)(2).

<sup>5</sup> 16 U.S.C. 824o(e).

<sup>6</sup> *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards*, Order No. 672, FERC Stats. & Regs. ¶ 31,204, *order on reh'g*, Order No. 672-A, FERC Stats. & Regs. ¶ 31,212 (2006).

<sup>7</sup> *North American Electric Reliability Corp.*, 116 FERC ¶ 61,062, *order on reh'g and compliance*, 117 FERC ¶ 61,126 (2006), *aff'd sub nom. Alcoa, Inc. v. FERC*, 564 F.3d 1342 (D.C. Cir. 2009).

<sup>8</sup> *Mandatory Reliability Standards for the Bulk-Power System*, Order No. 693, FERC Stats. & Regs. ¶ 31,242, *order on reh'g*, Order No. 693-A, 120 FERC ¶ 61,053 (2007). The Commission approved Reliability Standard BAL-001-1 in an unpublished letter order, October 16, 2013 in Docket No. RD13-11-000.

<sup>9</sup> *Id.* P 355.

Terms) and the associated violation risk factors and violation severity levels, effective dates, and implementation plan.<sup>10</sup> NERC states that the proposed Reliability Standard is just, reasonable, not unduly discriminatory or preferential, and in the public interest because it satisfies the factors set forth in Order No. 672, which the Commission applies when reviewing a proposed Reliability Standard.<sup>11</sup> Also, NERC asserts that proposed Reliability Standard BAL-001-2 addresses the Commission's Order No. 693 directive pertaining to BAL-002-0.

6. NERC proposes to revise Reliability Standard BAL-001-2 by replacing the Control Performance Standard 2 (CPS2) in currently-effective Requirement R2 with a new term, "Balancing Authority ACE Limit (BAAL)."<sup>12</sup> The Balancing Authority ACE Limit, unique for each balancing authority, contains dynamic limits as a function of Interconnection frequency and provides the basis for a balancing authority's obligation to balance its resources and demand in real-time so that its clock-minute average ACE does not exceed its Balancing Authority ACE Limit for more than 30 consecutive clock-minutes.<sup>13</sup>

7. Proposed Reliability Standard BAL-001-2 has two requirements and two attachments containing the mathematical equations for calculating the Control Performance Standard 1 (CPS1) in Requirement R1,<sup>14</sup> the Balancing Authority ACE Limit in Requirement R2, and associated measures. NERC states that the only proposed change to Requirement R1 is to move the equation and explanation of the individual components of CPS1 to Attachment 1. NERC explains that the proposed revisions to Requirement R1 "are administratively efficient and clarify the intent of the Requirement."<sup>15</sup> NERC states that the "underlying performance aspect" of Requirement R1 remains the same: "to measure how well a Balancing Authority is able to control its generation and load management

programs, as measured by its ACE, to support its Interconnection's frequency over a rolling one-year period."<sup>16</sup>

8. Proposed Requirement R2 is new and replaces the existing Control Performance Standard 2 requirement. The current Reliability Standard BAL-001-1 Requirement R2 requires each balancing authority to operate such that for at least 90 percent of the ten-minute periods in a calendar month (using six non-overlapping periods per hour), the average area control error (ACE) must be within a specific limit, referred to as  $L_{10}$ .<sup>17</sup>

9. Requirement R2 of the proposed Reliability Standard BAL-001-2 states:

Balancing Authority shall operate such that its clock-minute average of Reporting ACE does not exceed its clock-minute Balancing Authority ACE Limit (BAAL) for more than 30 consecutive clock-minutes, calculated in accordance with Attachment 2, for the applicable Interconnection in which the Balancing Authority operates.

10. NERC explains that the Balancing Authority ACE Limits are unique for each balancing authority and provide dynamic limits for the balancing authority's ACE value as a function of its Interconnection frequency.<sup>18</sup> NERC states that the proposed Reliability Standard is intended to enhance the reliability of each Interconnection by maintaining frequency within predefined limits under all conditions. Furthermore, NERC states that proposed Reliability Standard BAL-001-2 and accompanying definitions include the benefits of the Automatic Time Error Correction (ATEC) equation in the WECC-specific regional variance in Reliability Standard BAL-001-1.<sup>19</sup>

11. NERC also proposes violation risk factors and violation severity levels for each requirement of the proposed Reliability Standard and an implementation plan and effective dates. NERC states that these proposals were developed and reviewed for consistency with NERC and Commission guidelines.

12. NERC proposes an effective date for the proposed Reliability Standard that is the first day of the first calendar quarter that is twelve months after the date of Commission approval. NERC states that its proposed implementation date will allow entities to make any software adjustment that may be required to perform the Balancing Authority ACE Limit calculations.<sup>20</sup>

13. On May 9, 2014, NERC submitted a supplemental filing (Supplemental Filing) to address the status of the Commission directive in Order No. 693 pertaining to Reliability Standard BAL-002-0 and update the Commission regarding the status of a field trial undertaken for proposed Reliability Standard BAL-001-2.<sup>21</sup> In its Supplemental Filing, NERC reiterates the importance of the proposed revision establishing dynamic limits for a balancing authority's ACE as a function of the Interconnection frequency, stating that "[o]ne of the reliability benefits of the proposed Reliability Standard is that it allows Balancing Authorities to calculate their position within these boundaries on a real-time basis and take action to support reliability."<sup>22</sup> Further, NERC states that proposed Reliability Standard BAL-001-2 addresses the Commission's directive related to BAL-002-0 "in an equally efficient and effective manner"<sup>23</sup> NERC adds that revisions to Reliability Standard BAL-002-1 are currently being developed and will complement proposed Reliability Standard BAL-001-2 that is the subject of the immediate proceeding.<sup>24</sup> Regarding the ongoing field trial, NERC stated that "the widespread participation of Balancing Authorities has provided insight into how the changes in proposed Reliability Standard BAL-001-2 will impact reliability."<sup>25</sup>

14. On July 31, 2014, NERC submitted an informational filing (Informational Filing) of its Preliminary Field Trial Report (Field Trial Report) evaluating the effects of proposed Reliability Standard BAL-001-2. NERC states that the Field Trial Report results to date demonstrate that the correlation between Requirements R1 and R2 of proposed Reliability Standard BAL-001-2 drive corrective actions to support Interconnection frequency and reliability.<sup>26</sup> NERC also states that the Balancing Authority ACE Limit, in conjunction with currently-effective

<sup>10</sup> Proposed Reliability Standard BAL-001-2 is available on the Commission's eLibrary document retrieval system in Docket No. RM14-10-000 and on the NERC Web site, [www.nerc.com](http://www.nerc.com).

<sup>11</sup> NERC Petition at 6 and Exhibit C (citing Order No. 672, FERC Stats. & Regs. ¶ 31,204 at PP 323-335, 444).

<sup>12</sup> Area Control Error (ACE) is the instantaneous difference between a Balancing Authority's Net Actual and Scheduled Interchange, taking into account the effects of Frequency Bias, correction for meter error, and Automatic Time Error Correction, if operating in that mode.

<sup>13</sup> NERC Petition at 12.

<sup>14</sup> The "Responsible Entity" designated in proposed Reliability Standard BAL-001-2 Requirement R1 is the balancing authority and/or regulation resource sharing groups.

<sup>15</sup> NERC Petition at 11.

<sup>16</sup> *Id.*

<sup>17</sup> Reliability Standard BAL-001-1 available at: <http://www.nerc.com/pa/Stand/Reliability%20Standards/BAL-001-1.pdf>.

<sup>18</sup> NERC Supplemental Filing at 1.

<sup>19</sup> NERC Petition at 2.

<sup>20</sup> NERC Petition at 3.

<sup>21</sup> NERC Supplemental Filing at 1.

<sup>22</sup> *Id.* at 2.

<sup>23</sup> *Id.* at 3.

<sup>24</sup> The Commission notes that the currently-effective Reliability Standard BAL-002-1 requires balancing authorities to return its ACE to zero within 15 minutes following a reportable disturbance. However, the Field Trial Report does not provide any information whether compliance with Reliability Standard BAL-002-1 had any impact on the proposed Balancing Authority ACE Limits in Reliability Standard BAL-001-2. Any future modifications to BAL-002 should take this into consideration.

<sup>25</sup> NERC Supplemental Filing at 6, noting that 47 balancing authorities participated in the Field Trial Report: 16 in the Eastern Interconnection, 29 in the Western Interconnection, ERCOT and Quebec.

<sup>26</sup> NERC Field Trial Report at 1.

Reliability Standard BAL-003-1 (Frequency Response and Frequency Bias Setting), satisfies the directive.<sup>27</sup>

## II. Discussion

15. Pursuant to FPA section 215(d)(2), we propose to approve Reliability Standard BAL-001-2 as just, reasonable, not unduly discriminatory or preferential, and in the public interest. We propose to approve NERC's four proposed definitions, violation risk factor and violation severity level assignments, and the retirement of currently-effective BAL-001-1.<sup>28</sup> Likewise, we propose to approve NERC's implementation plan, in which NERC proposes an effective date of the first day of the first calendar quarter, twelve months after the date of Commission approval.<sup>29</sup>

16. The purpose of proposed Reliability Standard BAL-001-2 is to control Interconnection frequency within defined limits. Proposed Reliability Standard BAL-001-2 includes both long and short term performance measures for Interconnection frequency control by providing dynamic (*i.e.*, real-time) limits that are specific for each balancing authority and Interconnection. By basing Balancing Authority ACE Limits on pre-defined frequency trigger limits for each Interconnection, we believe the real-time measurements established in proposed Reliability Standard BAL-001-2 will help ensure the Interconnection frequency returns to a reliable state should a balancing authority's ACE, or the Interconnection's frequency, exceed acceptable bounds.

17. We agree with NERC's assertion that the Balancing Authority ACE Limit is a real-time measure of a balancing authority's required performance and encourages operation in support of the Interconnection frequency and drives corrective action back within predefined ACE limits when helpful for adjusting Interconnection frequency.<sup>30</sup>

18. Further, we believe that the NERC proposal satisfies the directive set forth in Order No. 693 that NERC modify Reliability Standard BAL-002 “. . . to define a significant deviation and a

reportable event, taking account all events that have an impact on frequency, *e.g.*, loss of supply, loss of load and significant scheduling problems. . . .”<sup>31</sup> In particular, we believe that NERC's statement that the Balancing Authority ACE Limit, in conjunction with currently-effective Reliability Standard BAL-003-1, satisfies the directive.<sup>32</sup> We also believe that Reliability Standard BAL-003-1 addresses the Commission's Order No. 693 directive with regard to events that have an impact on frequency due to the loss of supply and proposed Reliability Standard BAL-001-2 addresses aspects of the same directive with regard to loss of load. Further, we accept NERC's explanation that proposed Reliability Standard BAL-001-2 addresses the Commission's Order No. 693 directive with regard to the need to more broadly define reportable events and that the proposed standard sets a variable joint megawatt limit (*i.e.*, real-time) that is dependent on concurrent Interconnection frequency. With regard to the aspect of the Order No. 693 directive requiring that reportable events account for loss of load, we agree with NERC's statement that loss of load can cause a mismatch in supply and demand that results in a positive change in frequency.<sup>33</sup> We accept NERC's explanation that the Balancing Authority ACE Limit has been shown to be effective in limiting the duration that the Interconnection frequency is impacted by loss of supply, loss of load or any other conditions causing a balancing authority to exceed its Balancing Authority ACE Limit.<sup>34</sup>

19. In sum, we believe the statements in NERC's Petition, Supplemental Filing, and Informational Filing provide sufficient technical support that NERC has addressed the Commission's Order No. 693 directive in an equally and effective manner.<sup>35</sup> While we propose to approve Reliability Standard BAL-001-2, we also propose that NERC submit an informational filing—discussed immediately below—regarding the potential of proposed Reliability Standard BAL-001-2 to contribute to unscheduled power flows and inadvertent interchange.

### A. Potential for Proposed Reliability Standard BAL-001-2 To Contribute to Unscheduled Power Flows and Inadvertent Interchange

20. NERC states that, as a proof of concept for the Balancing Authority ACE Limit requirement, a field trial was endorsed by the NERC Operating committee and subsequently approved by the NERC Standards Committee in June 2005.<sup>36</sup> During the development of the proposed Reliability Standard, some stakeholders that participated in the field trial commented to the NERC standard drafting team that the proposed Balancing Authority ACE Limit established in Requirement R2 of BAL-001-2 has caused increased system operating limit violations, particularly in the Western Interconnection. For example, one large transmission operator commented that the proposed Balancing Authority ACE Limit could increase the number of system operating limit violations, and could possibly cause large unscheduled power flows resulting in an increased ACE.<sup>37</sup> Another NERC stakeholder commented that the proposed Reliability Standard could provide opportunities for entities to create unscheduled power flows within the standard's boundaries, without regard to the impacts and which could lead to system operating limit violations due to large ACEs.<sup>38</sup> The same stakeholder commented that the Western Electricity Coordinating Council has decided to apply a limit of four times a balancing authority's L<sub>10</sub> to limit ACE deviations from balancing authority flows that negatively impact the transmission system.

21. In addition, in the Field Trial Report, NERC asserts that there is no relationship between the Balancing Authority ACE Limit field trial and accumulated inadvertent interchange in either the Eastern or Western Interconnections.<sup>39</sup> However, due to a large allowance in ACE deviations in real-time while still complying with the proposed Balancing Authority ACE Limit, an increase in the amount of inadvertent interchange on the bulk electric system of all Interconnections may result.<sup>40</sup> In other words, proposed

<sup>27</sup> *Id.* at 14.

<sup>28</sup> NERC proposes four definitions for inclusion in the Glossary of Terms Used in NERC Reliability Standards: Regulation Reserve Sharing Group, Reserve Sharing Group Reporting ACE, Reporting ACE, and Interconnection. As stated in Exhibit G, Consideration of Comments at 13, “Regulation Reserve Sharing Group” would be added to the NERC Compliance Registry prior to implementation of the proposed standard.

<sup>29</sup> NERC Petition Exhibit B at 4.

<sup>30</sup> NERC Field Trial Report at 23.

<sup>31</sup> Order No. 693, FERC Stats. & Regs. ¶ 31,242 at P 355.

<sup>32</sup> NERC Field Trial Report at 4.

<sup>33</sup> *Id.* at 7.

<sup>34</sup> *Id.* at 27.

<sup>35</sup> NERC Supplemental Filing at 3.

<sup>36</sup> *Id.* at 3.

<sup>37</sup> NERC Petition, Exhibit G, Consideration of Comments April 2013, at 43.

<sup>38</sup> *Id.* at 77.

<sup>39</sup> NERC Field Trial Report at 20.

<sup>40</sup> A comparison between the existing Control Performance Standard 1 curves and the Balancing Authority ACE Limit curves shown in NERC's Field Trial Report indicates that there are large ACE deviations at the boundaries of 60 +/- 0.02 Hz. *Id.* Figure 5 at 24.

BAL-001-2 could allow balancing authorities to have a very large deviation from an ACE of zero and still be compliant with the dynamic values of the Balancing Authority ACE Limits in the proposed Reliability Standard.

22. The Commission is concerned that the Balancing Authority ACE Limit in proposed Reliability Standard BAL-001-2 may have an unintended consequence of (i) allowing significant amounts of unscheduled power flows, creating an undue burden for transmission operators and reliability coordinators to address power flows approaching or exceeding system operating limits or interconnection reliability operating limits, and (ii) the significant increase in inadvertent interchange could result in an adverse reliability impact between real-time operations and day and/or hour-ahead analysis performed by reliability coordinators and transmission operators.

23. Based on the concerns discussed above, the Commission proposes to direct that NERC submit an informational filing following implementation of the proposed Reliability Standard to monitor unscheduled power flows and inadvertent interchange in the Western and Eastern Interconnections. Specifically, for the two-year period following implementation (*i.e.*, the effective date) of the standard, the Commission proposes to direct NERC to provide the number of SOL/IROL violations, the date and time, location, the duration and magnitude, due to unscheduled power flows and inadvertent interchange within Western and the Eastern Interconnections. This information will provide NERC, the Commission, and other interested entities with the material to evaluate the effect of Reliability Standard BAL-001-2 on unscheduled power flows and inadvertent interchange and the resulting consequences on the Bulk-Power System. Accordingly, the Commission proposes to direct that NERC provide data on unscheduled power flows and inadvertent interchange for a two-year period following implementation of the proposed Reliability Standard.

24. The Commission proposes to direct NERC to submit the informational filing 90 days after the end of the two-

year period following implementation. Should the data indicate reliability issues due to increases in unscheduled power flows and inadvertent interchange under the new Balancing Authority ACE Limit at any time during the two-year period of study, the Commission expects that NERC will immediately propose and implement adequate remedies. The Commission seeks comments from NERC, and other interested entities on the proposed informational filing. The Commission also seeks comment whether any additional data would support the analysis and, thus, should be provided with the informational filing. Furthermore, the Commission also seeks comment on whether a regional variance would be necessary for those regions that experienced adverse impacts during the field trial due to inadvertent interchange.<sup>41</sup>

### III. Information Collection Statement

25. The Office of Management and Budget (OMB) regulations require that OMB approve certain reporting and recordkeeping (collections of information) imposed by an agency.<sup>42</sup> Upon approval of a collection(s) of information, OMB will assign an OMB control number and expiration date. Respondents subject to the filing requirements of this 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.

26. The Commission is submitting these reporting and recordkeeping requirements to OMB for its review and approval under section 3507(d) of the PRA. Comments are solicited on the Commission's need for this information, whether the information will have practical utility, the accuracy of the provided burden estimate, ways to enhance the quality, utility, and clarity of the information to be collected, and any suggested methods for minimizing the respondent's burden, including the use of automated information techniques.

27. This Notice of Proposed Rulemaking proposes to approve

<sup>41</sup> The Western Interconnection applies a limit of four times a balancing authority's L<sub>10</sub> to limit ACE deviations from balancing authority flows that negatively impact the transmission system. *Id.* at 14.

<sup>42</sup> 5 CFR 1320.11.

revisions to Reliability Standard BAL-001-2. NERC states in its petition that the proposed Reliability Standard defines a new concept: Balancing Authority ACE Limit, which is unique for each balancing authority and provides dynamic limits for a balancing authority's ACE value as a function of the Interconnection frequency.<sup>43</sup> NERC states that the proposed Reliability Standard improves reliability by adding a frequency component to the measurement of a balancing authority's ACE, and allows for the formation of "Regulation Reserve Sharing Groups." NERC's proposed Reliability Standard requires a balancing authority to balance its resources and demand in real-time so that the clock-minute average of its ACE does not exceed its Balancing Authority ACE Limit for more than 30 consecutive clock-minutes. Furthermore, NERC states that proposed Reliability Standard BAL-001-2 and accompanying definitions include the benefits of the Automatic Time Error Correction equation in the WECC-specific regional variance in Reliability Standard BAL-001-1.<sup>44</sup> The proposed Reliability Standard and related reporting requirements are applicable to balancing authorities and regulation reserve sharing groups.

28. *Public Reporting Burden:* Our estimate below regarding the number of respondents is based on the NERC Compliance Registry as of October 17, 2014. According to the NERC Compliance Registry, there are 71 balancing authorities in the Eastern Interconnection, 34 balancing authorities in the Western Interconnection and one balancing authority in the Electric Reliability Council of Texas (ERCOT). The Commission bases individual burden estimates on the time needed for balancing authorities to develop tools needed to facilitate reporting that are required in the Reliability Standard. These burden estimates are consistent with estimates for similar tasks in other Commission-approved Reliability Standards. The following estimates relate to the requirements for this Notice of Proposed Rulemaking in Docket No. RM14-10-000.

<sup>43</sup> NERC Petition at 12.

<sup>44</sup> *Id.* at 2.

## RM14–10–000 FINAL RULE

[BAL–001–2: Real Power Balancing Control Performance]<sup>45</sup>

	Number of respondents	Annual number of responses per respondent	Total number of responses	Average burden & cost per response	Total annual burden hours & total annual cost <sup>46</sup>	Cost per respondent (\$)
	(1)	(2)	(1)*(2)=(3)	(4)	(3)*(4)=(5)	(5)÷(1)
BA/RRSG: <sup>47</sup> Update and Maintain Energy Management Systems.	106	1	106	8 hours per response. \$1030 (8 × \$128.76).	848 (106*8) \$109,180 (1030*106)	\$1030
BA: Record Retention <sup>48</sup> .....	106	1	106	4 ..... \$112 .....	424 \$11,872	112
Total .....	.....	.....	212	.....	1,272 \$121,052	1,142

*Title:* Mandatory Reliability Standards for BAL–001–2.

*Action:* Proposed Collection FERC–725R.

*OMB Control No.:* 1902–0268.

*Respondents:* Businesses or other for-profit institutions; not-for-profit institutions.

*Frequency of Responses:* On Occasion.

*Necessity of the Information:* This proposed rule proposes to approve the Reliability Standard pertaining to requiring balancing authorities to operate such that its clock-minute average reporting ACE does not exceed its clock-minute Balancing Authority ACE Limits for more than 30 consecutive clock-minutes. The proposed Reliability Standard Requirement R2 provides each balancing authority a dynamic ACE limit that is a function of Interconnection frequency. The proposed Reliability Standard will provide dynamic limits that are balancing authority and Interconnection specific. In addition, these ACE limits are based on identified Interconnection frequency limits to ensure the Interconnection returns to a reliable state when an individual balancing authority's ACE or Interconnection

frequency deviation contributes undue risk to the Interconnection.

*Internal Review:* The Commission reviewed the proposed Reliability Standard and made a determination that its action is necessary to implement section 215 of the FPA. These requirements, if accepted, should conform to the Commission's expectation for generation and demand balance throughout the Eastern and Western Interconnections as well as within the ERCOT Region.

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

30. For submitting comments concerning the collection(s) of information and the associated burden estimate(s), please send your comments to the Commission and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Washington, DC 20503 [Attention: Desk Officer for the Federal Energy Regulatory Commission, phone: (202) 395–4638, fax: (202) 395–7285]. For security reasons, comments to OMB should be submitted by email to: [oir\\_submission@omb.eop.gov](mailto:oir_submission@omb.eop.gov). Comments submitted to OMB should include FERC–725R and Docket Number RM14–10–000.

#### IV. Environmental Analysis

31. 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>49</sup> The Commission has

categorically excluded certain actions from this requirement as not having a significant effect on the human environment. Included in the exclusion are rules that are clarifying, corrective, or procedural or that do not substantially change the effect of the regulations being amended.<sup>50</sup> The actions proposed here fall within this categorical exclusion in the Commission's regulations.

#### V. Regulatory Flexibility Act Certification

32. The Regulatory Flexibility Act of 1980 (RFA)<sup>51</sup> generally requires a description and analysis of proposed rules that will have significant economic impact on a substantial number of small entities. As shown in the information collection section, the proposed Reliability Standard applies to 106 entities. Comparison of the applicable entities with the Commission's small business data indicates that approximately 23<sup>52</sup> are small business entities. Of these, the Commission estimates that approximately five percent, or one of these small entities, will be affected by the new requirements of the proposed Reliability Standard.

33. The Commission estimates that the small entities that will be affected by proposed Reliability Standard BAL–001–2 will incur one-time compliance cost up to \$109,180 (*i.e.* the cost of updating and maintaining energy management systems), resulting in cost of approximately \$1,030 per balancing authority and/or regulation reserve sharing groups. These costs represent an estimate of the costs a small entity could

<sup>45</sup> Proposed Reliability Standard BAL–001–2 applies to balancing authorities and regulation reserve sharing groups. However, the burden associated with the BA complying with Requirement R1 is not included within this table because the Commission accounted for it under Commission-approved Reliability Standards BAL–001–1.

<sup>46</sup> The estimated hourly costs (salary plus benefits) are based on Bureau of Labor Statistics (BLS) information (available at [http://www.bls.gov/oes/current/naics2\\_22.htm](http://www.bls.gov/oes/current/naics2_22.htm)) for an electrical engineer (\$60.87/hour) and a lawyer (\$128.76).

<sup>47</sup> BA=Balancing Authority; RRS=Regulation Reserve Sharing Group.

<sup>48</sup> \$28/hour, based on a Commission staff study of record retention burden cost.

<sup>49</sup> *Regulations Implementing the National Environmental Policy Act of 1969*, Order No. 486,

FERC Stats. & Regs., Regulations Preambles 1986–1990 ¶ 30,783 (1987).

<sup>50</sup> 18 CFR 380.4(a)(2)(ii).

<sup>51</sup> 5 U.S.C. 601–612.

<sup>52</sup> 21.4 percent of the total number of affected entities.

incur if the entity is identified as an applicable entity. The Commission does not consider the estimated cost per small entity to have a significant economic impact on a substantial number of small entities. Accordingly, the Commission certifies that this NOPR will not have a significant economic impact on a substantial number of small entities.

## VI. Comment Procedures

34. 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 January 26, 2015. Comments must refer to Docket No. RM14-10-000, and must include the commenter's name, the organization they represent, if applicable, and their address in their comments.

35. 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.

36. 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.

37. 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

38. 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.

39. 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.

40. User assistance is available for eLibrary and the Commission's Web site during normal business hours from the Commission's Online Support at (202) 502-6652 (toll free at 1-866-208-3676) or email at [ferconlinesupport@ferc.gov](mailto:ferconlinesupport@ferc.gov), or the Public Reference Room at (202) 502-8371, TTY (202) 502-8659. Email the Public Reference Room at [public.referenceroom@ferc.gov](mailto:public.referenceroom@ferc.gov).

By direction of the Commission.

**Nathaniel J. Davis, Sr.**,

*Deputy Secretary.*

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**BILLING CODE 6717-01-P**

## DEPARTMENT OF HOMELAND SECURITY

### Coast Guard

#### 33 CFR Part 100

[Docket Number USCG-2014-0905]

RIN 1625-AA08

#### Special Local Regulation; Bradenton Area Riverwalk Regatta; Manatee River, Bradenton, FL

**AGENCY:** Coast Guard, DHS.

**ACTION:** Notice of Proposed Rulemaking.

**SUMMARY:** The Coast Guard is proposing to establish a special local regulation on the waters of the Manatee River in Bradenton, Florida during the Bradenton Area Riverwalk Regatta. The race is scheduled to take place annually from 11:00 a.m. to 4:30 p.m. on the first Saturday of February. The proposed special local regulation is necessary to protect the safety of race participants, participant vessels, spectators, and the general public on the navigable waters of the United States during the event. The special local regulation would restrict vessel traffic in the waters of the Manatee River in the vicinity of Bradenton, Florida. It would establish the following two areas: Enforcement areas #1 and #2, where all persons and vessels, except those persons and vessels participating in the high speed boat races and those vessels enforcing the areas, are prohibited from entering, transiting through, anchoring in, or remaining within.

**DATES:** Comments and related material must be received by the Coast Guard on or before December 26, 2014.

**ADDRESSES:** You may submit comments identified by docket number using any one of the following methods:

(1) *Federal eRulemaking Portal:*

<http://www.regulations.gov>.

(2) *Fax:* (202) 493-2251.

(3) *Mail or Delivery:* Docket Management Facility (M-30), U.S. Department of Transportation, West Building Ground Floor, Room W12-140, 1200 New Jersey Avenue SE., Washington, DC 20590-0001. Deliveries accepted between 9 a.m. and 5 p.m., Monday through Friday, except federal holidays. The telephone number is (202) 366-9329.

See the "Public Participation and Request for Comments" portion of the **SUPPLEMENTARY INFORMATION** section below for further instructions on submitting comments. To avoid duplication, please use only one of these three methods.

**FOR FURTHER INFORMATION CONTACT:** If you have questions on this rule, call or email Marine Science Technician First Class Hector I. Fuentes, Sector St. Petersburg Prevention Department, Coast Guard; telephone (813) 228-2191, email [D07-SMB-Tampa-WWM@uscg.mil](mailto:D07-SMB-Tampa-WWM@uscg.mil). If you have questions on viewing or submitting material to the docket, call Cheryl Collins, Program Manager, Docket Operations, telephone (202) 366-9826.

#### SUPPLEMENTARY INFORMATION:

##### Table of Acronyms

DHS Department of Homeland Security  
FR Federal Register  
NPRM Notice of Proposed Rulemaking

#### A. Public Participation and Request for Comments

We encourage you to participate in this rulemaking by submitting comments and related materials. All comments received will be posted without change to <http://www.regulations.gov> and will include any personal information you have provided.

##### 1. Submitting Comments

If you submit a comment, please include the docket number for this rulemaking, indicate the specific section of this document to which each comment applies, and provide a reason for each suggestion or recommendation. You may submit your comments and material online at <http://www.regulations.gov>, or by fax, mail, or hand delivery, but please use only one of these means. If you submit a comment online, it will be considered received by the Coast Guard when you successfully transmit the comment. If you fax, hand deliver, or mail your