

§ 922.132 Prohibited or otherwise regulated activities.

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(e) The prohibitions in paragraphs (a)(2) through (a)(8) of this section, and (a)(12) of this section regarding any introduced species of shellfish that does not cause significant adverse effects to sanctuary resources or qualities and is non-invasive as determined by NOAA and the State of California, and that is cultivated in state waters as part of commercial shellfish aquaculture activities, do not apply to any activity authorized by any lease, permit, license, approval, or other authorization issued after the effective date of Sanctuary designation (January 1, 1993) and issued by any Federal, State, or local authority of competent jurisdiction, provided that the applicant complies with 15 CFR 922.49, the Director notifies the applicant and authorizing agency that he or she does not object to issuance of the authorization, and the applicant complies with any terms and conditions the Director deems necessary to protect Sanctuary resources and qualities. Amendments, renewals, and extensions of authorizations in existence on the effective date of designation constitute authorizations issued after the effective date of Sanctuary designation.

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

[Docket No. RM13-19-000, RM14-3-000]

Generator Relay Loadability and Revised Transmission Relay Loadability Reliability Standards**AGENCY:** Federal Energy Regulatory Commission.**ACTION:** Notice of proposed rulemaking.

SUMMARY: Pursuant to section 215 of the Federal Power Act, the Commission proposes to approve a new Reliability Standard, PRC-025-1 (Generator Relay Loadability), submitted by the North American Electric Reliability Corporation (NERC), the Commission-approved Electric Reliability Organization. In addition, the Commission proposes to approve Reliability Standard PRC-023-3 (Transmission Relay Loadability), also submitted by NERC, which revises a currently-effective standard pertaining to transmission relay loadability.

DATES: Comments are due April 28, 2014.**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:

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SUPPLEMENTARY INFORMATION:

146 FERC ¶ 61,189

Before Commissioners: Cheryl A. LaFleur, Acting Chairman; Philip D. Moeller, John R. Norris, and Tony Clark.

(Issued March 20, 2014)

1. Pursuant to section 215 of the Federal Power Act (FPA),¹ the Commission proposes to approve a new Reliability Standard, PRC-025-1 (Generator Relay Loadability), submitted by the North American Electric Reliability Corporation (NERC). In addition, the Commission proposes to approve Reliability Standard PRC-023-3 (Transmission Relay Loadability), also submitted by NERC, which revises a currently-effective standard pertaining to transmission relay loadability.

2. NERC developed proposed Reliability Standard PRC-025-1 in response to certain Commission directives issued in Order No. 733,² in which the Commission approved an initial version of a Reliability Standard governing transmission relay

loadability. We believe that the proposed new standard on generator relay loadability, Reliability Standard PRC-025-1, will serve to enhance reliability by imposing mandatory requirements governing generator relay loadability, thereby reducing the likelihood of premature or unnecessary tripping of generators during system disturbances. In addition, we believe that the proposed revisions to PRC-023-2 are appropriate in that they clarify the applicability of the two standards governing relay loadability (PRC-025-1 and PRC-023-3), and prevent potential compliance overlap due to inconsistencies. Finally, we propose to approve the violation risk factors and violation severity levels as proposed for PRC-025-1, as well as the proposed implementation plans for the two standards.

I. Background**A. Regulatory Background**

3. Section 215 of the FPA requires a Commission-certified Electric Reliability Organization (ERO) to develop mandatory and enforceable Reliability Standards, subject to Commission review and approval.³ Once approved, the Reliability Standards may be enforced by the ERO subject to Commission oversight, or by the Commission independently.⁴ In 2006, the Commission certified NERC as the ERO pursuant to FPA section 215.⁵

B. Relay Protection Systems

4. Protective relays are devices that detect and initiate the removal of faults on an electric system.⁶ They are designed to read electrical measurements, such as current, voltage, and frequency, and can be set to recognize certain measurements as indicating a fault. When a protective relay detects a fault on an element of the system under its protection, it sends a signal to an interrupting device, such as a circuit breaker, to disconnect the element from the rest of the system. Impedance relays, which are the most common type of relays used to protect transmission lines, continuously measure voltage and current on the protected transmission line and operate when the measured magnitude and

³ 16 U.S.C. 824o(c) and (d).⁴ See *id.* at 824o(e).

⁵ *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).

⁶ A "fault" is defined in the NERC Glossary of Terms used in Reliability Standards as "[a]n event occurring on an electric system such as a short circuit, a broken wire, or an intermittent connection."

¹ 16 U.S.C. 824o (2012).

² *Transmission Relay Loadability Reliability Standard*, Order No. 733, 130 FERC ¶ 61,221 (2010) (Order No. 733); *order on reh'g and clarification*, Order No. 733-A, 134 FERC ¶ 61,127; *clarified*, Order No. 733-B, 136 FERC ¶ 61,185 (2011).

phase angle of the impedance (voltage/current) falls within the settings of the relay.

C. Development of Reliability Standards on Relay Loadability

5. Following the August 2003 blackout that affected parts of the Midwest, the Northeast, and Ontario, Canada, NERC and the U.S.-Canada Power System Outage Task Force (Task Force) concluded that a substantial number of transmission lines disconnected during the blackout when load-responsive phase-protection backup distance and phase relays operated unnecessarily, i.e. under non-fault conditions. Although these relays operated according to their settings, the Task Force determined that the operation of these relays for non-fault conditions contributed to cascading outages at the start of the blackout and accelerated the geographic spread of the cascade.⁷ Seeking to prevent or minimize the scope of future blackouts, both NERC and the Task Force developed recommendations to ensure that these types of protective relays do not contribute to future blackouts.⁸

6. NERC developed Reliability Standard PRC-023-1 (Transmission Relay Loadability) to address these recommendations, and submitted it for Commission approval under FPA section 215. On March 10, 2010, in Order No. 733, the Commission approved Reliability Standard PRC-023-1.⁹ In addition, the Commission directed NERC to (1) make certain modifications to the Reliability Standard, (2) submit a timeline for the development of a new Reliability Standard to address generator protective relay loadability, and (3) develop a new Reliability Standard addressing the issue of protective relay operation during stable power swings.

D. NERC Petition and Proposed Standards PRC-025-1 and PRC-023-3

1. Proposed Reliability Standard PRC-025-1

7. On September 30, 2013, NERC submitted a petition seeking approval of Reliability Standard PRC-025-1 (Generator Relay Loadability).¹⁰ NERC

states in its petition that the proposed standard “is designed to prevent generator tripping when conditions do not pose a direct risk to the generator and associated equipment and will reduce the risk of unnecessary generator tripping—events that increase the severity of the disturbance.”¹¹ NERC further states that the proposed standard is intended to address the second part of the Commission’s Order No. 733 directives, requiring development of a standard governing generator protective relay loadability.¹² NERC notes that it addressed the first Order No. 733 directive, requiring modification of PRC-023-1, through its revised standard PRC-023-2 (currently in effect).¹³ NERC indicates that it is addressing the third portion of the Order No. 733 directives, relay operation during stable power swings, as part of a separate phase of the project.¹⁴

8. The stated purpose of PRC-025-1 is “[t]o set load-responsive protective relays associated with generation Facilities at a level to prevent unnecessary tripping of generators during a system disturbance for conditions that do not pose a risk of damage to the associated equipment.”¹⁵ Proposed Reliability Standard PRC-025-1 would apply to any generator owner, transmission owner, or distribution provider “that applies load-responsive protective relays at the

Proposed Rulemaking. The complete texts of these proposed Reliability Standards are available on the Commission’s eLibrary document retrieval system in Docket Nos. RM13-19-000 and RM14-3-000, and are posted on NERC’s Web site, available at: <http://www.nerc.com>.

¹¹ *Petition of the North American Electric Reliability Corp. for Approval of Proposed Reliability Standard PRC-025-1 (Generator Relay Loadability)*, Docket No. RM13-19-000, at 4 (Sept. 30, 2013) (Sept. 30 Petition or Petition). NERC requested that the Commission delay its consideration of PRC-025-1 until NERC could finalize and submit for approval certain related revisions to its transmission relay loadability standard, PRC-023-2. Those revisions were submitted on Dec. 17, 2013, as discussed further below.

¹² See *id.* at 8.

¹³ *Id.* (citing *Transmission Relay Loadability Reliability Standard*, Order No. 759, 138 FERC ¶ 61,197 (2012)).

¹⁴ *Id.* NERC indicated that this third phase of its response to Order No. 733 is tentatively scheduled to be completed in December 2014. *Id.*

¹⁵ Sept. 30 Petition, Ex. A at 3. While NERC has not proposed a definition for the term “load-responsive protective relays,” Attachment A of existing Reliability Standard PRC-023-2, which also uses the term “load-responsive protective relays” states that the standard includes “any protective functions which could trip with or without time delay, on load current.” NERC Reliability Standard PRC-023-2, available at http://www.nerc.com/_layouts/PrintStandard.aspx?standardnumber=PRC-023-2&title=Transmission%20Relay%20Loadability&jurisdiction=United%20States.

terminals of the Elements listed in 3.2, Facilities.”¹⁶ “Facilities,” in turn, are defined in section 3.2 of the proposed standard as:

Elements associated with Bulk Electric System (BES) generating units and generating plants, including those * * * identified as Blackstart Resources in the Transmission Operator’s system restoration plan:

3.2.1 Generating unit(s).

3.2.2 Generator step-up (i.e., GSU) transformer(s).

3.2.3 Unit auxiliary transformer(s) (UAT) that supply overall auxiliary power necessary to keep generating unit(s) online.

3.2.4 Elements that connect the GSU transformer(s) to the Transmission system that are used exclusively to export energy directly from a BES generating unit or generating plant. Elements may also supply generating plant loads.

3.2.5 Elements utilized in the aggregation of dispersed power producing resources.

9. Proposed Reliability Standard PRC-025-1 has only one requirement, that each applicable entity “shall apply settings that are in accordance with PRC-025-1—Attachment 1: Relay Settings, on each load-responsive protective relay while maintaining reliable fault protection.”¹⁷ The relay setting options are defined in Table 1 of Attachment 1, and include the specific bus voltage and other inputs to be used depending on the application (e.g., synchronous or asynchronous generator, generator step-up transformer, or unit auxiliary transformer) and the type of relay. For most applications of each type of relay, the proposed standard would give applicable entities the option of adopting relay settings that meet the stated criteria as determined through (1) a relatively simple calculation, (2) a more complex calculation, or (3) a described simulation. As stated in the standard, the criteria in Attachment 1 “represent short-duration conditions during which generation Facilities are capable of providing system reactive resources, and for which generation Facilities have been historically recorded to disconnect, causing events to become more severe.”¹⁸

10. NERC further explains in its petition that the specific relay setting criteria are based on system conditions observed during the August 2003 Blackout.¹⁹ The criteria for relays applied on synchronous generators, and

¹⁶ Sept. 30 Petition, Ex. A at 3. NERC further explains that the standard should “include all load-responsive protective relays that are affected by increased generator output in response to system disturbances.” Sept. 30 Petition, Ex. A at 25 (Guidelines and Technical Basis) (hereinafter *Guidelines*).

¹⁷ *Id.* 18, and Ex. A at 4.

¹⁸ *Id.*, Ex. A at 4 (Rationale for R1).

¹⁹ *Id.* 10.

⁷ U.S.-Canada Power System Outage Task Force, Final Report on the August 14, 2003 Blackout in the United States and Canada: Causes and Recommendations, at 80 (2004) (Final Blackout Report).

⁸ See Final Blackout Report, Recommendation 21A; North American Electric Reliability Council, August 14, 2003 Blackout: NERC Actions to Prevent and Mitigate the Impacts of Future Cascading Blackouts, at 13 and Recommendation 8a (2004).

⁹ Order No. 733, 130 FERC ¶ 61,221.

¹⁰ Proposed Reliability Standards PRC-025-1 and PRC-023-3 are not attached to this Notice of

their associated generator step-up transformers (GSUs) and connecting elements, are based on the response of the synchronous generator to depressed transmission system voltage (with allowances for reactive power losses across the GCU transformer). The criteria for relays applied on asynchronous generators and their associated GCU transformers and connecting elements are based on the more limited response of an asynchronous generator to the depressed voltage (with no allowance for loss of reactive power across the GCU transformer because such losses are not significant).²⁰ The criteria for relays applied on unit auxiliary transformers (UATs) that supply station service are based on the increased current requirements of station service load during a depressed voltage condition.

11. In its justification for approval of the proposed standard, NERC explains that “[a]nalysis of power system disturbances over the past twenty-five years have found generators to have tripped unnecessarily—an occurrence that has the potential to extend the scope and duration of a disturbance.”²¹ According to NERC, during the recovery phase of a disturbance, system voltage may be widely depressed and may fluctuate. To support the system during this phase of a disturbance, NERC explains that the proposed standard “establishes criteria for setting load-responsive relays such that individual generators may provide Reactive Power within their dynamic capability during transient time periods,” thereby avoiding unnecessary tripping of generators and ensuring that “dynamic capability is available to support system recovery.”²²

12. NERC proposes Requirement R1 of PRC-025-1 be assigned a “High” violation risk factor, and a “Severe” violation severity level for failure to apply settings as required. NERC’s Implementation Plan proposes that applicable entities must be in compliance with the new standard: (1) 60 months after regulatory approval where compliance can be achieved without replacement or removal of relays; or (2) 84 months after regulatory approval if replacement or removal of relays is necessary.²³

2. Proposed Reliability Standard PRC-023-3

13. On December 17, 2013, NERC submitted proposed clarifying changes to Reliability Standard PRC-023-2, as reflected in PRC-023-3, as “Supplemental Information” to its Sept. 30 Petition.²⁴ NERC explains in its Supplemental Filing that these changes were identified during development of PRC-025-1 as “necessary to establish a bright-line distinction between the applicability of load-responsive protective relays in the transmission and generator relay loadability Reliability Standards.”²⁵ NERC explains that stakeholders became concerned about potential compliance overlap between the new generator relay loadability standard, PRC-025-1, and existing standard PRC-023-2, which currently applies to certain elements that connect GCU transformers to the transmission system.

14. In order to clarify that proposed standard PRC-025-1 is intended to cover “all load responsive protective relays applied at the terminals of generators and GCU transformers,”²⁶ NERC proposes to remove Criteria 6 of Requirement R1 from PRC-023-2 in its entirety. That sub-requirement currently requires applicable entities to:

Set transmission line relays applied on transmission lines connected to generation stations remote to load so they do not operate at or below 230% of the aggregated generation nameplate capability.²⁷

NERC also proposes to change the applicability section of PRC-023-2 to exclude “Elements that connect the GCU transformer(s) to the Transmission system that are used exclusively to export energy directly from a BES generating unit or generating plant.”²⁸

15. NERC explains in its Supplemental Filing that the two relay loadability standards, as revised, would be based on the location where the relays are applied and not on the intended protection functions, which it believes is advantageous because it:

(i) Facilitates the establishment of generator relay loadability requirements based on the physics associated with increased generator output during stressed system conditions.

²⁴ Supplemental Information to the Petition of the North American Electric Reliability Corp. for Approval of Proposed Reliability Standard PRC-025-1 (Generator Relay Loadability), Docket No. RM14-3-000 (Dec. 17, 2013) (Supplemental Filing).

²⁵ *Id.* 1-2.

²⁶ See *id.* at 4.

²⁷ See Supplemental Filing, Ex. A, Redline of PRC-023-2 at 6.

²⁸ See Supplemental Filing at 4, and Ex. A, Proposed Reliability Standard PRC-023-3, Sections 4.2.1.1 and 4.2.2.1.

(ii) Avoids ambiguity as to whether the intended protection function is for the generating unit or the Transmission System.

(iii) Provides clear division of applicability between the Generator and Transmission Relay Loadability Reliability Standards based on the physical location, independent of the entity that owns the relay.²⁹

16. Under NERC’s proposed implementation plan, Reliability Standard PRC-023-3 will become effective on the first day of the first calendar quarter beyond the date that the standard is approved by the applicable regulatory authority. Reliability Standard PRC-023-2 would be retired immediately prior to the effective date of PRC-023-3, except that Criterion 6 of Requirement R1 would remain in effect until the effective date of PRC-025-1. Any implementation dates or milestones established under PRC-023-2 would remain in place.³⁰

II. Discussion

17. Pursuant to section 215(d)(2) of the FPA, the Commission proposes to approve Reliability Standard PRC-025-1, including its associated violation risk factors and violation severity levels, Reliability Standard PRC-023-3, and NERC’s proposed implementation plans for the new and revised standards. PRC-025-1 appears to adequately address the Commission directive in Order No. 733 that NERC develop a separate Reliability Standard that addresses generator step-up and auxiliary transformer loadability, and do so “in a way that is coordinated with the Requirements and expected outcomes of PRC-023-1.”³¹ In addition, we believe that PRC-025-1 will enhance reliability by imposing mandatory requirements governing generator relay loadability settings, thereby reducing the likelihood of premature or unnecessary tripping of generators during system disturbances.

18. We also propose to approve the clarifying modifications reflected in Reliability Standard PRC-023-3,

²⁹ Supplemental Filing at 5.

³⁰ As part of its Supplemental Filing, NERC also submitted a report on UAT relay loadability to address concerns raised by minority commenters during the development of PRC-025-1 as to whether UAT relays on the low-voltage side should be included. See *id.* at 6 and Ex. E. The report concludes that there is no adverse reliability impact from Reliability Standard PRC-025-1 as proposed, and finds that “based on a comparison of the simulation models and the actual event data, the simulation results are conservative. The model results, coupled with the NERC Generating Availability Data System (GADS) analysis, are indicative that a reliability gap does not result from excluding relays on the low-voltage side of the UAT from PRC-025-1.” Supplemental Filing at 6, Ex. E at 6.

³¹ See Order No. 733, 130 FERC ¶ 61,221 at PP 104-106.

²⁰ *Id.* 11.

²¹ *Id.* 9.

²² *Id.* 9-10.

²³ See Sept. 30 Petition, Ex. B (Implementation Plan).

because we agree they serve to clarify the applicability of the two standards governing relay loadability and prevent potential compliance overlap due to inconsistencies.

III. Information Collection Statement

19. The collection of information contained in this Notice of Proposed Rulemaking is subject to review by the Office of Management and Budget (OMB) under section 3507(d) of the Paperwork Reduction Act of 1995.³² OMB's regulations require approval of certain information collection requirements imposed by agency rules.³³ 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.

20. We solicit 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. Specifically, the Commission asks that any revised burden or cost estimates submitted by commenters be supported by sufficient detail to understand how the estimates are generated.

21. The Commission proposes to approve Reliability Standard PRC-025-1 and to approve revisions to PRC-023-2. Proposed Reliability Standard PRC-025-1 will impose new requirements to set certain generator protective relays in accordance with prescribed criteria, and will apply to transmission owners, distribution providers, and generator owners with applicable relays. Affected entities will have to ensure that their relays are set in accordance with these criteria and maintain records or other evidence demonstrating their compliance with the standard's requirements. The revisions to PRC-023-2 will result in a change in how relay settings are calculated for certain kinds of relays, but will not result in reporting or recordkeeping requirements or burden.

Public Reporting Burden: Proposed Reliability Standard PRC-025-1 does not require responsible entities to file

information with the Commission. However, the Reliability Standard requires applicable entities to develop and maintain certain information, subject to audit by a Regional Entity. In particular, transmission owners, generator owners and distribution providers must "have evidence" to show that each of its load-responsive protective relays are set according to one of the options in Attachment 1 to Reliability Standard PRC-025-1. Our estimate below regarding the number of respondents is based on the NERC compliance registry as of January 31, 2014. According to the NERC compliance registry, NERC has registered 539 distribution providers, 903 generator owners and 344 transmission owners. However, under NERC's compliance registration program, entities may be registered for multiple functions, so these numbers incorporate some double counting. The number of unique entities responding will be approximately 1,019³⁴ entities registered as a transmission owner, a distribution provider, or a generator owner that is also a transmission owner and/or a distribution owner. The Commission estimates the annual reporting burden and cost as follows:

FERC-725Q,³⁵ AS MODIFIED IN NOPR IN RM13-19 AND RM14-3

	Number and type of respondents ³⁶	Annual number of responses per respondent	Total number of responses	Average burden and cost per response	Total annual burden hours and total annual cost	Cost per respondent ³⁷
	(1)	(2)		(3)	(1) × (2) × (3)	
(One-time) Review & documentation of relay settings to ensure compliance.	1,019 GO/DP/TO.	1	1,019	20 hrs. & \$59.62/hour.	20,380 hours & \$1,215,056.	\$1192
(On-going) Record Retention (of compliance records for R1 and M1, for 3 years or until mitigation complete).	1,019 GO/DP/TO.	1	1,019	2 hrs. & \$28.95/hour.	2,038 hours & \$59,000.	\$57.90

Title: Mandatory Reliability Standards for the Bulk-Power System.

Action: Proposed FERC-725Q.

OMB Control No: To Be Determined.

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

Frequency of Responses: One-time and ongoing.

Necessity of the Information: The Generator Relay Loadability Reliability

Standard, if adopted, would implement the Congressional mandate of the Energy Policy Act of 2005 to develop mandatory and enforceable Reliability Standards to better ensure the reliability of the nation's Bulk-Power System. Specifically, the purpose of the proposed Reliability Standard is to set load-responsive protective relays associated with generation facilities at a

level to prevent unnecessary tripping of generators during a system disturbance for conditions that do not pose a risk of damage to the associated equipment. The proposed Reliability Standard requires entities to maintain records subject to review by the Commission and NERC to ensure compliance with the Reliability Standard.

³² 44 U.S.C. 3507(d) (2012).

³³ 5 CFR 1320.11 (2013).

³⁴ This estimate assumes all of the unique entities apply load-responsive protective relays.

³⁵ Normally these reporting and recordkeeping requirements would be included under FERC-725G (OMB Control No. 1902-0252). However, only one request per OMB Control Number can be pending OMB review at a time. Because a pending and

unrelated rulemaking also affects other aspects of FERC-725G, the reporting and record retention requirements for this NOPR in RM13-19 and RM14-3 will be submitted to OMB for review under FERC-725Q.

³⁶ GO = Generator Owner, DP = Distribution Provider, TO = Transmission Owner, each of whom applies load-responsive protective relays at the

terminals of the Elements listed (in the Standard) 3.2, Facilities.

³⁷ The estimated hourly costs (salary plus benefits) are based on Bureau of Labor and Statistics (BLS) information (available at http://bls.gov/oes/current/naics3_221000.htm#17-0000) for an electrical engineer (\$59.62/hour for review and documentation), and for a file clerk (\$28.95/hour for record retention).

Internal Review: The Commission has reviewed the requirements pertaining to the proposed Reliability Standard for the Bulk-Power System and determined that the proposed requirements are necessary to meet the statutory provisions of the Energy Policy Act of 2005. These requirements conform to the Commission's plan for efficient information collection, communication and management within the energy industry. The Commission has assured itself, by means of 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 following: Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426 [Attention: Ellen Brown, Office of the Executive Director, email: DataClearance@ferc.gov, phone: (202) 502-8663, fax: (202) 273-0873].

23. Comments concerning the information collections proposed in this NOPR and the associated burden estimates should be sent to the Commission in these dockets 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 email to OMB at the following email address: oir_submission@omb.eop.gov. Please reference FERC-725Q and the docket numbers of this Notice of Proposed Rulemaking (Docket Nos. RM13-19-000 and RM14-3-000) in your submission.

IV. Regulatory Flexibility Act Certification

24. The Regulatory Flexibility Act of 1980 (RFA)³⁸ generally requires a description and analysis of proposed rules that will have significant economic impact on a substantial number of small entities. The RFA mandates consideration of regulatory alternatives that accomplish the stated objectives of a proposed rule and that minimize any significant economic impact on a substantial number of small entities. The Small Business Administration's (SBA's) Office of Size Standards develops the numerical definition of a small business.³⁹ The SBA recently revised its size standard for electric utilities (effective January 22, 2014) to a standard based on the number of employees, including affiliates (from a standard based on

megawatt hours).⁴⁰ Under SBA's new size standards, generator owners, distribution providers, and transmission owners likely come under one of the following categories and associated size thresholds:⁴¹

- Hydroelectric power generation, at 500 employees.
- Fossil fuel electric power generation, at 750 employees.
- Nuclear power generation, at 750 employees.
- Other electric power generation (e.g. solar, wind, geothermal, and others), at 250 employees.
- Electric bulk power transmission and control, at 500 employees.
- Electric power distribution, at 1,000 employees.

25. Based on U.S. economic census data,⁴² the approximate percentages of small firms in these categories varies from 24 percent to 94 percent. However, currently FERC does not have information on how the economic census data compares with entities registered with NERC and is unable to estimate the number of small GOs, DPs, and TOs using the new SBA definitions.⁴³ Regardless, FERC recognizes that the rule will likely impact small GOs, DPs, and TOs and estimates the economic impact on each entity below.

26. Proposed Reliability Standard PRC-025-1 will serve to enhance reliability by imposing mandatory requirements governing generator relay loadability, thereby reducing the likelihood of premature or unnecessary tripping of generators during system disturbances. The Commission estimates that each of the small entities to whom the proposed Reliability Standard PRC-025-1 applies will incur one-time compliance costs of \$4,480 (i.e., the cost of re-setting any relays found to be out of compliance),⁴⁴ plus paperwork and record retention costs of \$1,192 (one-time implementation) and

\$57.90 (annual ongoing).⁴⁵ Per entity, the total one-time implementation costs are estimated to be \$5,672 (including paperwork and non-paperwork costs) and the annual ongoing costs are estimated to be \$57.90.

27. The Commission does not consider the estimated costs 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.

V. Environmental Analysis

28. 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.⁴⁶ 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.⁴⁷ The actions proposed herein fall within this categorical exclusion in the Commission's regulations.

VI. Comment Procedures

29. 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 April 28, 2014. Comments must refer to Docket Nos. RM13-19-000 and RM14-3-000, and must include the commenter's name, the organization they represent, if applicable, and address.

30. 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.

⁴⁵ The one-time paperwork-related implementation cost estimate is based on a burden of 20 hours at \$59.62/hour, and the annual record-keeping cost estimate is based on a burden of 2 hours at \$28.95/hour. See *supra* at 21 and P 1 note/39.

⁴⁶ *Regulations Implementing the National Environmental Policy Act of 1969*, Order No. 486, FERC Stats. & Regs. ¶ 30,783 (1987).

⁴⁷ 18 CFR 380.4(a)(2)(ii).

⁴⁰ SBA Final Rule on "Small Business Size Standards: Utilities," 78 FR 77343 (12/23/2013).

⁴¹ 13 CFR 121.201, Sector 22, Utilities.

⁴² Data and further information are available from SBA available at <http://www.sba.gov/advocacy/849/12162>.

⁴³ Using the previous SBA definition, 230 of the 1,019 entities affected by the proposed PRC-025-1 would have qualified as small entities.

⁴⁴ These are non-paperwork related costs, which are not reflected in the burden described in the Information Collection Section above, and instead reflect the burden of re-setting relays in order to comply with the new requirements of PRC-025-1. Specifically, this figure reflects an estimated time of 8 hours per relay, assuming an average of 8 digital relays which will need to be re-set per small entity, at a cost of \$70 per hour (the average of the salary plus benefits for a manager and an engineer, from Bureau of Labor and Statistics available at http://bls.gov/oes/current/naics3_221000.htm and <http://www.bls.gov/news.release/ecce.nr0.htm>).

³⁸ 5 U.S.C. 601-612 (2012).

³⁹ 13 CFR 121.101 (2013).

31. 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.

32. 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

33. 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.

34. 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.

35. 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, or the Public Reference Room at (202) 502-8371, TTY (202) 502-8659. Email the Public Reference Room at public.referenceroom@ferc.gov.

By direction of the Commission.

Nathaniel J. Davis, Sr.,

Deputy Secretary.

[FR Doc. 2014-06591 Filed 3-26-14; 8:45 am]

BILLING CODE 6717-01-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-120282-10]

RIN 1545-BJ56

Dividend Equivalents From Sources Within the United States; Hearing Cancellation

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Cancellation of notice of public hearing on proposed rulemaking.

SUMMARY: This document cancels a public hearing on proposed regulations that provides guidance to nonresident alien individuals and foreign corporations that hold certain financial products providing for payments that are contingent upon or determined by reference to U.S. source dividend payments and to withholding agents.

DATES: The public hearing originally scheduled for April 11, 2014 at 10 a.m. is cancelled.

FOR FURTHER INFORMATION CONTACT: Oluwafunmilayo Taylor of the Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration) at (202) 317-6901 (not a toll-free number).

SUPPLEMENTARY INFORMATION: A withdrawal notice of proposed rulemaking, notice of proposed rulemaking and notice of public hearing that appeared in the **Federal Register** on Thursday, December 5, 2013 (78 FR 73128) announced that a public hearing was scheduled for April 11, 2014, at 10 a.m. in the IRS Auditorium, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC. The subject of the public hearing is under section 871(m) of the Internal Revenue Code.

The public comment period for these regulations expired on March 5, 2014. The withdrawal notice of proposed rulemaking, notice of proposed rulemaking and notice of public hearing instructed those interested in testifying at the public hearing to submit a request to speak and an outline of the topics to be addressed by March 5, 2014. As of Wednesday, March 19, 2014, no one has requested to speak. Therefore, the

public hearing scheduled for April 11, 2014, is cancelled.

Martin V. Franks,

Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel, (Procedure and Administration).

[FR Doc. 2014-06712 Filed 3-26-14; 8:45 am]

BILLING CODE 4830-01-P

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[Docket Number USCG-2014-0138]

RIN 1625-AA08

Special Local Regulations for Marine Events, Nanticoke River; Bivalve, MD

AGENCY: Coast Guard, DHS.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The Coast Guard proposes to establish special local regulations during the "Coastal Aquatics Swim Team Open Water Summer Shore Swim", a marine event to be held on the waters of the Nanticoke River at Bivalve, MD on June 29, 2014. These special local regulations are necessary to provide for the safety of life on navigable waters during the event. This action is intended to temporarily restrict vessel traffic in a portion of the Nanticoke River during the event.

DATES: Comments and related material must be received by the Coast Guard on or before April 28, 2014. The Coast Guard anticipates that this proposed rule will be effective on June 29, 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