

SUPPORTING STATEMENT

7 CFR Part 1730 - Interconnection of Distributed Resources

OMB Control No. 0572-New

This is a request for approval of a new information collection package. This package covers a new regulation, which will be issued by proposed rulemaking.

A. JUSTIFICATION

1. Explain the circumstances that make this collection of information necessary.

The Rural Utilities Service, an agency delivering the U.S. Department of Agriculture's Rural Development Utilities Programs herein after referred to as Rural Development and/or Agency. The Agency is authorized by 7 U.S.C. 901 to set forth policy and procedures for electric program borrowers' requests to receive financial assistance to provide and improve electric service in rural areas. The Agency proposes to amend 7 CFR Part 1730 by adding a Subpart C titled "Interconnection of Distributed Resources". This proposed rule will require that electric borrowers will be responsible for establishing and maintaining a written and publically available policy relating to the Interconnection of Distributed Resources (IDR). This proposed rule will allow owners of distributed resources to know what the requirements of the borrower electric cooperatives are regarding connection of their facilities.

Distributed resources have become an important addition to the nation's energy supply. However often times the owners of distributed resources have a difficult time connecting their distributed resources to the electric power system of rural electric cooperatives.

This proposed regulation will cost borrowers a minimal amount of money to draft the IDR policy and will result in lower costs for owners of distributed resource facilities in their efforts to interconnect with the borrower electric cooperatives. Borrowers may minimize their cost to comply with the regulation by using model policy templates developed by organizations such as the National Rural Electric Cooperative Association. The regulation allows the borrowers to recover any costs borne by them from the IDR from the owners of the distributed resources. The proposed regulation also protects the power quality and reliability of the borrower's electric system from any adverse affect of distributed resources. The proposed regulation is not a policy change.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate that actual use the Agency has made of the information received from the current collection.

A letter from the borrower certifying that it has an established and publically IDR policy is a one-time submission required for each borrower when applying for loan funds from the Agency. This certification letter will establish that an IDR policy is in effect that creates the standards and procedures to be followed by the electric borrowers and owners of distributed resources in order to interconnect their distributed resource facilities with the borrower's electric systems and, ultimately deliver power to the rural consumer.

The letter required by this rulemaking will be used by the Agency to confirm compliance with this regulation. If the certification is not received, additional loan funds would not be approved.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection.

The Agency is committed to meeting the requirements of the E-Government Act. Due to an immediate need for electric borrowers to request, collect and submit information to promote distributed resources, the Agency will collect this one time submission by allowing borrowers to provide a letter of certification. In the future, the Agency will develop an electronic mechanism to collect the certification along with the loan application package, which will meet the requirements of E-Government Act to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

No similar information already exists; therefore there is no duplication of information.

5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-I), describe any methods used to minimize burden.

The self-certification is being requested in a simple format consisting of no more than one page. This information is minimal on small business or other small entities. The information requested is the minimum required to promote the use of distributed resources.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.

This self-certification is required from current electric borrowers applying for funding from Rural Development Utilities Programs. This certification will be kept on file at the Washington headquarters. If this information were not collected in the time-frame specified in the rule, the Agency would have to deploy significant resources to confirm compliance with this regulation.

7. Explain any special circumstances that would cause an information collection to conduct in a manner:

a. Requiring respondent to reporting information more than quarterly.

There is no request to collection this information more than quarterly.

b. Requiring written response in less than 30 days.

There is no requirement to respond in less than 30 days.

c. Requiring more than an original and two copies.

There is not a requirement of more than an original and two copies to be submitted.

d. Requiring respondent to retain records for more than 3 years.

Record retention requirements shall be in accordance with 7 CFR 1767.

e. In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.

This collection is not a survey.

f. Requiring the use of a statistical data classification that has not be reviewed and approved by OMB.

This collection does not employ statistical sampling.

g. Requiring a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

This is no requirement of a pledge of confidentiality.

h. Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

There is no requirement to submit propriety trade secrets.

8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these

comments. Describe efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

The 60-day notice is embedded in the propose rule.

9. Explain any decision to provide any payment or gift to respondents, other than reenumeration of contractors or grantees.

Payments or gifts are not provided to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or Agency policy.

The information collection does not require confidentiality. Information submitted to the Agency by electric borrowers is covered by the provisions of the Freedom of Information Act (5 U.S.C. 552).

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

There are no questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information.

This information collection consists of 75 hours of burden to the public. The Agency estimates that approximately 50 percent of this time, or 15 minutes, is professional time, and the balance of 15 minutes is clerical time. If an hourly rate of \$38.60 is attributed to professional time, and \$16.47 to clerical time, the costs to the public are as follows:

COST TO THE PUBLIC

Professional	15 mins (.25 hr.) x \$40.00/hr. x 150 responses =	\$1,500.00
Clerical	15 mins (.25 hr.) x \$17.00/hr. x 150 responses =	<u>\$638.00</u>
	Total cost to the Public	\$2,138.00

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

a. Total capital and start-up cost component (annualized over its expected useful life); and

There are no capital or start-up costs associated with this collection.

b. Total operation and maintenance and purchase of services component.

There is no operation and maintenance or purchase of services components associated with this collection.

14. Provide estimates of annualized cost to the Federal Government.

The Agency will receive approximately 150 responses and is estimated to take 15 minutes for review and processing by the electric program. Costs are calculated at a rate of \$27.50/hr. for professional time (loan analyst).

COST TO THE GOVERNMENT

Professional 15 mins. (.25 hr.) x \$27.50/hr. x 150 responses = \$1,031.00

15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-1.

This is a new information collection.

16. For collection of information whose results will be published, outline plans for tabulation and publication.

The results of this collection of information are not intended for publication.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

No such approval is requested.

18. Explain each exception to the certification statement identified in item 19 on OMB 83-1.

There are no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This information collection does not employ statistical methods.

