

Supporting Statement for
**FERC Form 556, “Certification of Qualifying Facility (QF) Status for a
Small Power Production or Cogeneration Facility”**
As proposed in Docket No. RM09-23-000
(Notice of Proposed Rulemaking Issued October 15, 2009)

The Federal Energy Regulatory Commission (Commission) (FERC) requests Office of Management and Budget (OMB) review and approval of the above NOPR concerning the following: **FERC Form 556 “Certification of Qualifying Facility (QF) Status for a Small Power Production or Cogeneration Facility”** (*note name change*).

FERC Form 556 (1902-0075) an existing information collection requirement is approved by OMB through December 31, 2012. We estimate that as a result of the proposed changes in the subject NOPR, the annual reporting-burden related will result in a reduction of 8,212 hours (A further explanation is provided in item no. 12). The proposed rule if adopted, would assist the Commission is accomplishing the following goals: (1) making the Form No. 556 easier and less time consuming to complete and submit; (2) decreasing opportunities for confusion and error in completing the form; (3) improving consistency and quality of the data collected by the form; (4) decreasing Commission resources dedicated to managing errors and omissions in submitted forms; and (5) clarifying and correcting the regulations governing the requirements for obtaining and maintaining QF status.

Background

When the Commission first implemented section 201 of the Public Utility Regulatory Policy Act (PURPA), it provided two paths to QF status: self certification and Commission certification.¹ The procedures for self-certification are contained in § 292.207(a) of the Commission’s regulations.² When a small power production facility or cogeneration facility self-certifies (or self-recertifies),³ it certifies that it satisfies the requirements for QF status. The Commission does not formally review the self-certification. Instead, the self-certification is assigned a docket number, and Commission staff looks at the filing to determine that the self-certifier has provided the information required by the regulations.

Self-certification was an essential part of the Commission’s implementation of PURPA, and was intended, in part, to make the certification process quick and not unduly burdensome. Thus, when FERC first implemented section 201 of PURPA in Order No. 70,⁴ the Commission

1 There is no fee for a self-certification; there is, however, a fee for Commission certification. 18 CFR 381.505. The Commission will not process an application for Commission certification without receipt of the applicable fee.

2 18 CFR 292.207(a).

3 Because recertification is a type of certification, policies applicable to self-certification and application for Commission certification also apply to self-recertification and application for Commission recertification.

4 Small Power Production and Cogeneration Facilities -- Qualifying Status, Order No. 70, FERC Stats. & Regs., Regulations Preambles 1977-1981 ¶ 30,134 (1980), order on reh'g, Order Nos. 69-A and 70-A, FERC Stats. & Regs., Regulations Preambles 1977-1981 ¶ 30,160 (1980), aff'd in part and vacated in part, American Electric Power Service

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rejected a proposal to adopt a case-by-case Commission certification requirement for all QFs, but instead provided that facilities that met the requirements for QF status need only furnish notice to the Commission of QF status.⁵ This notice (the self-certification) was purely for informational purposes and to help the Commission monitor the market penetration of QFs. QF status, however, was established by meeting the requirements for such status and did not depend on the filing. Indeed, the Commission noted that QFs and purchasing utilities could agree that a generation facility met the requirements for QF status, and the facility would qualify for the benefits of PURPA without making any filing with the Commission.

The Commission recognized, however, that the self-certification process would not always satisfy all those interested in a particular facility's status. Accordingly, the Commission also established, in § 292.207(b) of the regulations,⁶ the "optional procedure" for QF status. Under the optional procedure, an entity may file an application for a determination by the Commission that a facility meets the requirements for QF status. Such an application requires a filing fee.⁷ After receiving an application for Commission certification and the required fee, the Commission assigns the filing a docket number and notices the filing in the Federal Register, providing an opportunity for interventions and protests. The Commission's regulations provide that it will act on an application within 90 days of the filing (or of its supplement or amendment). The process gives those that need assurance of a facility's QF status (or lack of such status) a Commission order certifying (or denying) QF status. This optional procedure is commonly known as an application for Commission certification. In its original regulations, the Commission also provided that, once a facility was certified by the Commission, its qualifying status could be revoked by the Commission, upon the Commission's own motion, or upon the motion of any person.⁸ This combination of encouraging self-certifications, while providing for both Commission-certification and an opportunity to seek revocation of QF status, would assure, the Commission believed, that only those generation facilities that meet the criteria for QF status would receive and retain that status.

Corp. v. FERC, 675 F.2d 1226 (D.C. Cir. 1982), rev'd in part, American Paper Institute, Inc. v. American Electric Power Service Corp., 461 U.S. 402 (1983).

5 Order No. 70, FERC Stats. & Regs. ¶ 30,134 at 30,954. As discussed below, the Commission, in 2005, added a requirement that a cogeneration facility or small power production facility either self-certify or receive Commission certification to have QF status. See 18 CFR 292.203(a)(3), (b)(2).

6 18 CFR 292.207(b).

7 18 CFR 381.505.

8 See 18 CFR 292.207(d)(ii). A similar opportunity for the Commission to revoke the QF status of a self-certified facility on the Commission's own motion, or on the motion of another party, was not expressly provided in the regulations; the Commission, however, allowed others to seek the revocation of a self-certified QF by filing a petition for declaratory order. In Order No. 671, infra note 18, the right to file a motion seeking revocation of a self-certification was added to the Commission's regulations. A motion seeking revocation requires a filing fee as a declaratory order. Chugach Electric Association, Inc., 121 FERC ¶ 61,287, at P 51-54 (2007). The filing fee for a declaratory order is provided in 18 CFR 381.302.

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As noted above, the Commission, when it first enacted its regulations, had hoped that self-certifications would be the primary means for obtaining QF status, but recognized that there would be instances in which a Commission ruling on QF status would be desirable. While the Commission later, in Order No. 575, required QFs to provide more detailed information about self-certifying QFs, in Form No. 556, the Commission continued to encourage self-certification, but also recognized that there would be reasons that a QF may want or need Commission certification (including the requirement of some lenders, electric utilities, or state regulators that a generator seeking QF status and the benefits of PURPA be Commission-certified). The Commission thus sought to make the self-certification process more informative about the nature of the self-certified QFs while keeping the process relatively simple.

Following the enactment of the Energy Policy Act of 2005 (EPA 2005), which imposed new requirements for QF status for “new” cogeneration facilities,⁹ the Commission issued Order No. 671,¹⁰ which implemented those new requirements. As part of that implementation, for the first time, notices of self-certifications for new cogeneration facilities were required to be published in the Federal Register; self-certifications, other than for new cogeneration facilities, are not published in the Federal Register. In addition, as noted above, for the first time, the Commission required the filing of a notice of self-certification or an application for Commission certification as a requirement for QF status.¹¹

Subject NOPR (Docket No. RM09-23-000)

On October 15, 2009, the Commission issued in Docket No. RM09-23-000, a Notice of Proposed Rulemaking (NOPR) revising its regulations in 18 CFR 131.80 and Part 292, which currently provide the FERC Form No. 556 as used in the certification of qualifying status for an existing or proposed small power production or cogeneration facility. FERC proposes to revise its regulations to remove the contents of the Form No. 556 from the regulations, and, in their place, to provide that an applicant seeking to certify qualifying facility (QF) status of a small power production or cogeneration facility must complete, and electronically file, the Form No. 556 that is in effect at the time of filing. The Commission proposes to revise and reformat the Form No. 556 to clarify the content of the form and to take advantage of newer technologies that

⁹ A “new” cogeneration facility is defined as any cogeneration facility that was either not a qualifying cogeneration facility on or before August 8, 2005, or that had not filed a notice of self-certification, self-recertification or an application for Commission certification or Commission recertification as a qualifying cogeneration facility prior to February 2, 2006. 16 U.S.C. 824a-3(n)(2)(B); 18 CFR 292.205(d).

¹⁰ Revised Regulations Governing Small Power Production and Cogeneration Facilities, Order No. 671, 71 FR 7852 (Feb. 2, 2006), FERC Stats. & Regs. ¶ 31,203 (2006), order on reh’g, Order No. 671-A, 71 FR 30585 (May 22, 2006), FERC Stats. & Regs. ¶ 31,219 (2006).

¹¹ See 18 CFR 292.203(a)(3), (b)(2).

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will reduce both the filing burden for applicants and the processing burden for the Commission.

The Commission also proposes revisions to the procedures, standards and criteria for QF status provided in Part 292 of its regulations to accomplish the following: (1) exemption of generating facilities with net power production capacities of 1 MW or less from the QF certification requirement; (2) codification of the Commission's authority to waive the QF certification requirement for good cause; (3) extension to all applicants for QF certification the requirement (currently applicable only to applicants for self-certification of QF status) to serve a copy of a filed Form No. 556 on the affected utilities and state regulatory authorities; (4) elimination of the requirement for applicants to provide a draft notice suitable for publication in the Federal Register; and (5) clarification, simplification or correction of certain sections of the regulations.¹²

Finally, the Commission proposes a change to the exemption of QFs from the Federal Power Act,¹³ and to the exemption of QFs from the Public Utility Holding Company Act of 2005 (PUHCA) and certain State laws and regulations¹⁴ to make clear that certain small power production facilities that satisfy the criteria of section 3(17)(E) of the Federal Power Act qualify for those exemptions.

A. Justification

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

The Commission is obligated by statute to regulate key economic aspects of the electric, natural gas and oil industries. The law requires the Commission's economic regulatory activity because the transmission of electricity, natural gas, and oil has often been a natural monopoly. In enacting Part II of the Federal Power Act (FPA) in 1935, one of the primary Congressional goals was to protect electric ratepayers from abuses of market power. To accomplish this goal, Congress directed the FERC to oversee sales for resale and transmission service provided by public utilities in interstate commerce. Today, one of FERC's overarching goals is to promote competition in wholesale power markets, having determined that effective competition, as opposed to traditional forms of price regulation, can best protect the interests of ratepayers. Market power, however, can be exercised to the detriment of effective competition and exercise of market power in bulk power markets.

¹² 18 CFR Part 292.

¹³ 18 CFR 292.601.

¹⁴ 18 CFR 292.602.

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FERC Form 556 is required to implement the statutory provisions governed by Section 3 of the Federal Power Act (FPA) (16 U.S.C. 792-828c) and Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. §2601). These statutes authorize FERC or the Commission to encourage cogeneration and small power production and to prescribe such rules as necessary in order to carry out these statutory directives. As noted above, the Commission has codified FERC Form 556 in 18 CFR 131.80 and related regulations in 18 CFR Part 292.

A primary objective of PURPA, as indicated in Section 2 of the Act is the conservation of energy through efficient use of energy resources and facilities by electric utilities. One means of achieving this goal is to encourage production of electric power by cogeneration facilities which make use of reject heat associated with commercial or industrial processes, and by small power production facilities which use other wastes and renewable resources. PURPA, through establishment of various regulatory benefits, encourages the development of small power production facilities and cogeneration facilities which meet certain technical and corporate criteria. Facilities that meet these criteria are called Qualifying Facilities or QFs.

The Commission's regulations in 18 CFR Part 292, specify the certification procedures which must be followed by owners or operators of small power production and cogeneration facilities; specify the criteria which must be met; specify the information which must be submitted to FERC in order to obtain qualifying status; specify the PURPA benefits which are available to QFs to encourage small power production and cogeneration; and specify the requirements pertaining to PURPA implementation plans regarding the transaction obligations that electric utilities have with respect to QFs.

Among the PURPA benefits identified in Part 292, are the requirements for electric utilities: to make available to the public avoided cost information and system capacity needs; to purchase energy and capacity from QFs favorably priced on the basis of the avoided cost of the power that is displaced by the QF power (i.e., the incremental cost to the purchasing utility if it had generated the displaced power or purchased it from another source); to sell backup, maintenance and other power services to QFs at rates based on the cost of rendering the services; to provide certain interconnection and transmission services priced on a nondiscriminatory basis; and to operate in "parallel" with other interconnected QFs so that they may be electrically synchronized with electric utility grids.

Other PURPA benefits listed in Part 292 include exemption from certain corporate, accounting, reporting and rate regulation requirements under the Public Utility Holding Company Act of 1935 (*since repealed by EAct 2005*), certain state laws and in certain instances, regulation under the Federal Power Act.

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By amending its regulations, FERC is satisfying the statutory mandate and satisfying its continuing obligation to review its policies encouraging cogeneration and small power production, energy conservation, efficient use of facilities and resources by electric utilities and equitable rates for energy customers.

2. HOW, BY WHOM AND FOR WHAT PURPOSE IS THE INFORMATION TO BE USED AND THE CONSEQUENCES OF NOT COLLECTING THE INFORMATION

Since 1935, the Commission has regulated certain electric utility activities under the Federal Power Act (FPA). Under FPA sections 205 and 206, FERC oversees the rates, terms and conditions of sales for resale of electric energy and transmission service in interstate commerce by public utilities. The Commission must ensure that those rates, terms and conditions are just and reasonable, and not unduly discriminatory or preferential.

The information collected from FERC Form 556 and under 18 CFR Parts 131 and 292 is used by the Commission determine whether an application for certification (FERC certification or self-certification) meets the criteria for a qualifying small power production facility or a qualifying cogeneration facility under its regulations and eligible to receive the benefits available to it under PURPA..

In order to obtain QF status and obtain PURPA benefits, an owner or operator of a small power production or cogeneration facility must follow the process indicated in FERC Form 556 and select, at its option, either the procedure set forth in section 292.207(a), which requires the submission to FERC, of a self-certification or a notice of pre-authorized recertification, or the application for FERC certification through the process set forth in section 292.207(b). The information requirements for both processes are largely the same, i.e., the submission of a completed Form 556 which provides the information necessary to demonstrate compliance with FERC's regulations. If FERC did not collect the FERC Form 556 information, it would not be possible to determine whether a facility satisfies all of the QF requirements.

Since revocation of the qualifying status of a small power production or cogeneration facility may occur if the facility fails to comply with any of the Part 292 criteria, private financial lenders to small power production and cogeneration power facilities often require small power producers and cogenerators to follow the more involved section 292.207(b) procedures (certification by FERC as opposed to self-certification) in order to reduce the risk of revocation.

The Commission is proposing the revisions described above with the following goals: (1) making the Form No. 556 easier and less time consuming to complete and submit; (2) decreasing opportunities for confusion and error in completing the form; (3) improving

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consistency and quality of the data collected by the form; (4) decreasing Commission resources dedicated to managing errors and omissions in submitted forms; and (5) clarifying and correcting the regulations governing the requirements for obtaining and maintaining QF status.

3. DESCRIBE ANY CONSIDERATION OF THE USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN AND THE TECHNICAL OR LEGAL OBSTACLES TO REDUCING BURDEN

There is an ongoing effort to determine the potential and the value of improved information technology to reduce the burden. Specifically, in order to increase the efficiency with which it carries out its program responsibilities, the Commission has been implementing measures to use information technology to reduce the amount of paperwork required in its proceedings. In Order No. 619, FERC established an electronic filing initiative to meet the goals of the Government Paperwork Elimination Act, which directed agencies to provide for optimal use and acceptance of electronic documents and signatures and electronic recordkeeping, where practical, by October 2003.

FERC has attempted to facilitate the granting of QF status by providing materials to potential small power producers and cogenerators to assist in their preparation of notices of self-certification and preparation of applications for certification. The information package is free, brought to the attention of potential applicants through routine inquiry, provided upon request either in hard copy or electronic media, and is available from the Commission's web site. FERC Form 556 can be downloaded from the Commission's web site at the following address: <http://www.ferc.gov/docs-filing/hard-fil-elec.asp#556>.

In the NOPR, the Commission is proposing to require, through proposed § 131.80(c), that applicants submit their QF applications (whether initial certifications or recertifications, and whether self-certifications or applications for Commission certification) electronically via the Commission's eFiling website. The Commission is making this proposal for several reasons. First, for most applicants, the electronic filing process will be faster, easier, less costly and less resource-intensive than hardcopy filing. An applicant filing electronically will receive an acknowledgement that the Commission has received their application and a docket number for their submittal much more quickly than they would by filing in hardcopy format. Also, electronic filing will allow the Commission to electronically process QF applications, dramatically reducing required staff resources and human error, and allowing the Commission to identify patterns of reporting errors and noncompliance that would be difficult to detect through manual processing. Finally, electronic filing of QF applications would facilitate the compilation of QF data that could be made available to the public. Each year Commission staff field a number of requests for QF certification data from private organizations, researchers and other government agencies. Requiring applicants to file in electronic format would make it possible

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to respond to many more such requests, and/or to publish compiled QF data on the Commission's website.

4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION AND SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED OR MODIFIED FOR USE FOR THE PURPOSE(S) DESCRIBED IN INSTRUCTION NO. 2.

Commission filings and data requirements are periodically reviewed in conjunction with OMB clearance expiration dates. This includes a review of the Commission's regulations and data requirements to identify any duplication. There are no similar sources of information available that can be used or modified for these reporting requirements. Form 556 is not likely to be duplicated in other government forms due to the uniqueness of the QF program. No similar information is available to FERC for these purposes.

5. METHODS USED TO MINIMIZE BURDEN IN COLLECTION OF INFORMATION INVOLVING SMALL ENTITIES

In this NOPR, the Commission proposes three different types of regulatory changes with the intent to reduce the regulatory burden on small entities, and they are identified below:

- First, the Commission proposes to clarify and streamline the Form No. 556. These changes make the form easier for applicants, whether large or small, to complete, because the proposed form leads applicants step-by-step through the compliance determinations.
- Second, the Commission proposes certain limited additional disclosures of information. In particular, the Commission proposes (1) to collect in line 3g of the proposed form the geographic coordinates of facilities that do not have a street address, and (2) to collect certain information used to determine applicability of the EPA Act 2005 cogeneration requirements that was not previously explicitly required to be included in Form No. 556.

The requirement to report geographic coordinates is applicable only to those facilities that do not have a street address and is therefore not generally applicable to all applicants. Moreover, in most cases, geographic coordinates can be obtained from a simple web search (with help provided by the instructions and the Commission's website); a GPS device (including some cellular phones); the use of free computer programs (such as Google Earth); or the review of certain

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documents, such as a property survey, various engineering or construction drawings, a property deed, or a municipal or county map showing property lines.

The new information proposed to be collected from applicants for cogeneration facilities in lines 11a through 11f serves to guide the applicants through the determination whether the EPAct 2005 cogeneration requirements apply to their facilities. The process of completing lines 11a through 11f replicates, but in a clearer and more concise manner, the process that such applicants already have to go through in completing the current form. Completing lines 11a through 11f should substantially decrease the burden of complying with the EPAct 2005 cogeneration requirements for most or all applicants for cogeneration facilities. In the absence of this step-by-step guide proposed in lines 11a through 11f, applicants (particularly small applicants) must independently research the requirements and determine compliance with the relatively complex EPAct 2005 cogeneration requirements.

- Third, the Commission proposes to require applicants for certification of QF status to submit their Forms 556 electronically, via the Commission's eFiling website. However, the Commission proposes to exempt applicants for facilities with net power production capacities of 1 MW and smaller from any filing requirement. If both of these proposals are adopted, then the electronic filing requirement would not apply to applicants for small QFs. The Commission believes that any applicant for a facility larger than 1 MW should have access to the resources needed to make an electronic filing.

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

Applicants submit an initial Form 556 and additional notices for any changes in qualifying status criteria. In view of the one-time requirement, the PURPA objective of conservation through encouragement of small power production and cogeneration would be undercut if Form 556 information were to be collected less frequently (i.e., not collected at all). If the information were not to be collected as noted above, the Commission would be unable to certify a facility as a QF, and the cogenerator or small power producer would be unable to determine in advance whether self-certification or request for Commission certification is warranted.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION

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The Commission requires an original and fourteen copies of the application to be filed. This exceeds the OMB guidelines in 5 CFR 1320.5(d) (2) (iii) because of the number of divisions within the Commission that must analyze the application in order to carry out the regulatory process. The original is docketed, imaged through e-Library and filed as a permanent record for the Commission. The remaining copies are distributed to the necessary offices of the Commission with one being placed immediately in the Commission's Public Reference Room for public use. Since the time frame for responses to the request is very limited, the multiple hard copies are necessary for the various offices to review, analyze and prepare the final order at the same time.

As noted above, the Commission is proposing to require, through proposed § 131.80(c), that applicants submit their QF applications (whether initial certifications or recertifications, and whether self-certifications or applications for Commission certification) electronically via the Commission's eFiling website. Most of the proposed changes to the Form No. 556 are intended to make use of new electronic data structuring. While, in most cases, the Commission proposes to collect the same data that is currently collected in the Form No. 556, the new form will allow the Commission to more efficiently administer the QF program. Commission staff spends a significant amount of time working with applicants that either misunderstand the current form, pay insufficient attention to the informational requirements on the current form, or both. By making Form No. 556 easier to understand, the Commission will make the submission of Form No. 556 less burdensome to applicants.

**8. DESCRIBE EFFORTS TO CONSULT OUTSIDE THE AGENCY:
SUMMARIZE PUBLIC COMMENTS AND THE AGENCY'S RESPONSE
TO THESE COMMENTS**

The Commission's procedures require that the rulemaking notice be published in the Federal Register, thereby allowing all public utilities, state commissions, federal agencies, and other interested parties an opportunity to submit comments, or suggestions concerning the proposal. The rulemaking procedures also allow for public conferences to be held as required. Comments are due 60 days from publication in the Federal Register.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents in the requirements contained in the proposed rule.

**10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO
RESPONDENTS**

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The Commission generally does not consider the data filed to be confidential. However the applicant may request privileged treatment for supporting documents the release of which might be harmful to the competitive posture of the applicant in accordance with Section 18 CFR 388.112 of the Commission’s regulations.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE

There are no questions of a sensitive nature associated with the reporting requirements proposed in the subject NOPR.

12. ESTIMATED BURDEN COLLECTION OF INFORMATION

The Commission has previously broken down its estimated annual burden for completing the Form No. 556 by filing type (self-certification or Commission certification). By breaking down the filings by facility type (small power production facility or cogeneration facility) in addition to filing type we believe will result in a significantly improved burden estimate. Using this method, the total estimated annual time for the collection of information associated with the Form No. 556 is 2,156 hours, calculated as follows:

Facility Type	Filing Type	Number of Respondents	Hours Per Respondent	Total Annual Hours
cogeneration facility > 1MW	self-certification	100	8	800
cogeneration facility > 1 MW	application for Commission certification	3	50	150
small power production facility > 1 MW	self-certification	400	3	1200
small power production facility > 1 MW	application for Commission certification	1	6	6

FERC- Form 556 Information Collection Burden Current Inventory			
Data Collection	No. of Respondents	Burden Hours per/Respondent	Total Burden Hours
FERC Form 556	27(FERC certification)	4	108
	270(Self Certification)	38	10,260
Totals	297	38	10,368*

Program Changes: - 8,212 hours.

*OMB's June 2009 Inventory.

Note: The Commission submitted FERC-556 for renewal in July 2009. As part of the renewal submission, the Commission also submitted a redesigned format. The redesigned format was a result of the Commission's frustration with the inconsistent information submitted by filers. The Commission estimated that the redesigned format would reduce the burden on filers by 7,828 hours. Simultaneous with the renewal submission, work was underway on drafting this NOPR. The NOPR used the same OMB current inventory as the renewal submission but factored in both the form redesign and electronic filing. Both the form redesign and electronic filing will result in reductions to the burden, the Commission estimates the latter will provide an additional reduction of 384 hours to the reporting burden for a total reduction of 8,212 hours.

13. ESTIMATE OF TOTAL ANNUAL COST OF BURDEN TO RESPONDENTS

Current costs: *(Using OMB's June 2009 inventory)*

The estimated annual cost to respondents of FERC-Form 556 is \$478,880 (FERC certification) + 9,968 hours (self certification) reporting burden (@\$350 an hour includes attorney fees, engineering consultation and administrative support) or \$3,488,800 or \$12,921 per respondent for self certification. The total costs are \$3,967,680.

Projected costs:

The estimated annual cost to respondents of FERC-Form 556 is \$391,716 (FERC certification) + 2,000 hours (self certification) reporting burden (@\$350 an hour includes

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attorney fees, engineering consultation and administrative support) or \$700,000 or \$1,400 per respondent for self certification. The total costs are \$1,091,716.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT:

(a) Information Analysis (1.6 FTE) ¹⁵	\$205,275
	(b) Forms Clearance review
	\$ 1,480
Year of Operation	\$206,755

The estimate of the cost to the Federal Government is based on salaries for professional and clerical support, as well as direct and indirect overhead costs. Direct costs include all costs directly attributable to providing this information, such as administrative costs and the cost for information technology. Indirect or overhead costs are costs incurred by an organization in support of its mission. These costs apply to activities which benefit the whole organization rather than anyone particular function or activity. The estimated annualized cost to the Federal Government will be reduced when electronic filing is fully implemented.

An “FTE” is a “Full Time Equivalent” employee that works the equivalent of 2,080 hours per year. Salary represents the allocated cost per electric program employee at the Commission based on its appropriated budget for fiscal year 2008. The \$128,297 “salary” represents the staff responsible for processing Section 210 filings.

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

As noted above, the Commission is proposing to revise its regulations to remove the contents of the Form No. 556 from the regulations, and, in their place, to provide that an applicant seeking to certify qualifying facility (QF) status of a small power production or cogeneration facility must complete, and electronically file, the Form No. 556 that is in effect at the time of filing. In revising and reformatting the Form No. 556, FERC proposes to clarify the content of the form and to take advantage of newer technologies that will reduce both the filing burden for applicants and the processing burden for the Commission. Additionally, the Commission proposes to exempt generating facilities with net power production capacities of 1 MW or less from the QF certification requirement, and to codify the Commission’s authority to

¹⁵ ?/ The estimated annual cost per staff/employee (\$128,297) is based on the number of employees in the Office of Markets, Tariffs, and Rates and the FY 2008 appropriation for that office as reported in the Commission's FY 2008 Budget. The \$128,297 cost consists of salary and benefits.

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waive the QF certification requirement for good cause.

16. TIME SCHEDULE FOR PUBLICATION OF DATA

Copies of the filings are made available to the public within two days of submission to FERC via the Commission's web site. There are no other publications or tabulations of the information.

17. DISPLAY OF EXPIRATION DATE

Because FERC Form 556 is available from the Commission's website as a standard form that can be downloaded and printed the expiration date for OMB approval is printed on the first screen.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There is an exception to the Paperwork Reduction Act statement. The Commission will not be using statistical survey methodology for these information collections.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not Applicable. Statistical methods are not employed for these data collections.