Supporting Statement for
FERC-516, Electric Rate Schedule Filings
As Proposed in Docket No. RM11-7-000
(A Notice of Proposed Rulemaking (NOPR), Issued February 17, 2011)

The Federal Energy Regulatory Commission (Commission) (FERC) requests Office of Management and Budget (OMB) review of **FERC-516, Electric Rate Schedule Filings** as contained in the NOPR RM11-7-000 "Frequency Regulation Compensation in the Organized Wholesale Power Markets" (available in FERC's eLibrary system at http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=12567195). FERC-516 (Control No. 1902-0096) is an existing Commission data collection.

Overview

In the NOPR the Commission is proposing to revise its regulations to remedy undue discrimination in the procurement of frequency regulation service in the organized wholesale electricity markets. The emergence of technologies capable of responding more quickly than the generators that have historically provided frequency regulation service has prompted the Commission to evaluate market rules to ensure that they are not unduly discriminatory or fail to provide just and reasonable compensation for the service being provided. If found, the Commission proposes to remedy the undue discrimination by requiring a uniform price for regulation capacity paid to all cleared resources and a performance payment for the provision of frequency regulation, with such payment reflecting a resource's accuracy of performance. This proposed action helps to ensure that market rules do not present unnecessary barriers to the participation of all resource types in the wholesale ancillary services markets. The Commission seeks comment on the proposed regulations.

Background

1. Frequency Regulation Service

Frequency regulation service is the injection or withdrawal of real power by facilities capable of responding appropriately to a transmission system's frequency deviations or interchange power imbalance, both measured by the Area Control Error (ACE). When generation dispatch does not equal actual load and losses on a moment-by-moment basis, the imbalance will result in the grid's frequency deviating from the standard (60 Hertz). Minor frequency deviations affect energy consuming devices; major deviations cause generation and transmission equipment to separate from the grid, in the worst case leading to a cascading blackout. Frequency regulation service can prevent these adverse consequences by rapidly correcting deviations in the transmission system's frequency to bring it within the acceptable range. [1]

1 A balancing authority achieves acceptable ranges by being in compliance with Control Performance Standards 1 and 2 as defined in the Commission-approved Reliability Standard BAL-001-0.1a.

Frequency regulation is distinguishable from Frequency response.[2] Frequency response involves the automatic, autonomous and rapid action of turbine governor control to change a generator's output and of technically capable demand response resources that can automatically change consumption to respond to changes in frequency. These changes occur independent of any dispatch signal from a system operator. Frequency regulation service, in contrast, requires a dispatch signal sent by the system operator to those resources capable of and dispatched to provide frequency regulation service.

Today, frequency regulation is largely provided by generators (e.g., water, steam and combustion turbines) that are specially equipped for this purpose. Provision by other resources is emerging, as technologies develop and tariff and market rules are appropriately adapted to accommodate new resources. For example, the Electric Reliability Council of Texas (ERCOT) and Midwest ISO currently use controllable demand response in addition to generators to provide frequency regulation service.[3] Such "regulation capable" generation, storage devices, and demand response resources can respond automatically to signals sent by the RTO or ISO, through AGC, to increase or decrease real power injections or withdrawals to correct frequency deviations or interchange schedule imbalance, as measured by the ACE. The faster a resource can ramp up or down, the more accurately it can respond to the AGC, or ACE correction, signal and avoid overshooting ACE correction needs.[4] When a resource ramps too slowly, its ramping limitations may cause it to work against ACE correction needs and force the system operator to commit additional regulation resources to compensate.

2. Current ISO and RTO Practices

In the ISO and RTO markets, compensation for frequency regulation service is presently based on several components. Depending on the ISO or RTO, these payments include consideration for capacity set aside to provide the service, as well as some of the following: the net energy the resource injects into the system; accurately following the ISOs or RTOs dispatch signal; and/or the absolute (rather than net) amount of energy injected or withdrawn. These payments are intended to cover the range of costs incurred in order to provide this service:

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2 On January 20, 2011, the Commission released for public comment a staff study evaluating the use of frequency response metrics as a tool to assess the reliability impacts of varying resource mixes on the transmission grid.

3 In Midwest ISO, Alcoa's Warrick metallurgic induction (smelting) operation provides approximately 70 MW of frequency regulation. Alcoa Comments, Docket AD10-11-000, at 2 (June 16, 2010). In ERCOT's model, controllable loads are a type of Load Acting as a Resource (LaaR) that is capable of reducing or increasing consumption under dispatch control (similar to AGC) and able to immediately respond proportionally to frequency changes (similar to generator governor action) to provide Ancillary Services. *See* Electric Reliability Council of Texas, *Controllable Load Resource Qualification* (2007), *available at* http://www.ercot/content/services/programs/load/laar/Controllable%20Load %20Resource%20Qualification.doc."

4 *Frequency Regulation Compensation in the Organized Wholesale Power Markets*, Technical Conference, Beacon Speaker Materials, Docket No. AD10-11-000, at Figure 3 (May 26, 2010), which shows the difference between ISO-NE's ACE control signal, Beacon's flywheel response, and the allowable response rate under current ISO-NE rules. Here, "allowable response rate" means the rate at which the resource must respond to be considered in compliance with the dispatch signal.

operation and maintenance costs for providing frequency regulation and loss of potential revenue from foregone sales of electricity.

With regard to the payment for capacity set aside, this is essentially an option payment[5] to the resource to keep a certain amount of capacity out of the energy market in order to provide frequency regulation service (based on a market clearing price per MW of capacity sold). ISO-NE, NYISO, Midwest ISO, and PJM incorporate into this payment the opportunity cost of foregone energy sales incurred by a resource that provides frequency regulation service; though in ISO-NE and PJM, opportunity costs are not applied uniformly to all cleared resources.

Compensation for regulation service also generally includes payments for the net energy the resource injects into the system. RTOs and ISOs currently provide a payment for the net energy injected by a resource providing regulation service during the operating hour, calculated as the amount of energy injected less energy withdrawn multiplied by the real-time energy price.

Accuracy of performance can be incorporated into payments for regulation service. Currently, NYISO incorporates accuracy into its compensation for regulation service through a penalty that reflects the accuracy with which the resource follows its dispatch instruction.[6] This is done through a performance index that tracks how accurately a resource follows the dispatch signal.[7]

ISO-NE makes payments for regulation service to reflect the amount of work performed by a resource by reflecting the absolute amount of energy injected and withdrawn. Regulating resources receive a "mileage" payment that reflects the amount of ACE correction provided.[8]

In general, when a resource submits its bid, the bid is typically required to include its ramp rate in MW per minute, its cost per MWh of ramping ability, and the total capacity it is offering for frequency regulation.[9] The resource's total amount of capacity is based on and limited by its ability to ramp up or down in 5 minutes.[10] For example, a resource with a relatively large amount of capacity, but a relatively slow ramp rate would be limited in how much capacity it could offer as regulation. If the resource can ramp one MW per minute, it would only be able to offer 5 MW of regulation capacity (for a five minute dispatch) even if it has a total capacity of many hundreds of megawatts. On the other hand, a smaller capacity, fast-ramping resource might not face such a constraint. For instance, a storage device that can hold a

5 This type of capacity payment, based on day-ahead offers to sell ancillary services, is distinguishable from a long-term capacity payment such as provided for in PJM's reliability pricing model or ISO-NE's forward capacity market.
6 NYISO, Market Services Tariff, § 15.3.5.5.
7 NYISO uses telemetry data to track how closely a frequency regulation resource's output is to the dispatch signal. NYISO then weights the resource's payments to reflect its accuracy. For example, if the resource's response falls outside an acceptable range 10 percent of the time, for a performance index of 0.9, it will receive 90 percent of its payment.
8 ISO-NE, Transmission, Markets and Services Tariff, § III.3.5.5.
9 *See, e.g.*, NYISO, *Ancillary Services Manual, Manual 2*, at 4-8 (Nov. 2010).
10 A resource's capacity is limited by the amount it can ramp in 5 minutes because the system operator in most RTOs and ISOs dispatch resources every 5 minutes. CAISO dispatches every 10 minutes, and so a frequency regulation resource's capacity in that market is bound by the total capacity it can ramp in 10 minutes.

20 MW charge and ramp at 10 MW per minute, could offer its full 20 MW of capacity for five minutes.

Some RTOs and ISOs are actively discussing changes to their frequency regulation markets or stated at a technical conference that changes might be appropriate.[11] For example, CAISO has recently approved a new Regulation Energy Management proposal.[12] Likewise, the Commission is aware that ISO-NE is preparing new rules for frequency regulation compensation to formalize the participation of energy storage devices, something that has been only a pilot project to date.

A. JUSTIFICATION

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

As discussed above frequency regulation service provided by faster-ramping resources is more accurate than that provided by slower-ramping resources in responding to signals sent by the RTO or ISO. The Commission believes that faster-ramping resources are providing a higher quality service than slower-ramping resources and should be compensated accordingly. As discussed previously, each RTO and ISO market has a different method for compensating regulation service providers. The Commission preliminarily finds that requiring a component in the frequency regulation compensation mechanism that recognizes the resource's contribution to ACE correction is necessary to remedy undue discrimination and ensure just and reasonable rates in the organized wholesale electricity markets. Resources that provide more value to the grid by doing more of the work to correct ACE deviations should be paid more than resources doing less work. The Commission finds it necessary require each RTO and ISO that has a tariff that provides for the compensation of frequency regulation to provide such compensation based on the actual service provided. In order to accomplish this, RTOs and ISOs must file tariff changes with the Commission.

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

The information collected is to modify existing tariffs and is used by the Commission to ensure that frequency regulation service providers are being compensated according to the actual service provided. Without requiring these changes to tariffs, ISOs and RTOs may not

11 *See* PJM, *Market and Reliability Committee Meeting Materials*, (Jan. 2011), http://www.pjm.com/~/media/committees-groups/committees/mrc/20110119/20110119-item-05-regulation-market-performance-incentive-problem-statement-clean.ashx.

12 CAISO, Board of Governors, Decision on Regulation Energy Management (Feb. 3, 2011), *available at http://www.caiso.com/2b1a/2b1acd6d20610.pdf.*

compensate certain types of frequency regulation service providers according to the value being provided.

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

The Commission's electronic filing program started in 10/2000[13]. Since that time, there has been an ongoing effort to expand the program and adopt user friendly electronic formats, media, and software.

Electronically filed tariffs and rate change applications: (1)improve the efficiency and overall management of the tariff and tariff change filing process, (2)facilitate public access to tariff information and the FERC's monitoring of the energy markets, and (3)enhance competition within industries (by providing the customers with an electronic means of comparing the rates, terms and conditions, and other provisions applicable to the regulated entities).**Error: Reference source not found**

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

The Commission does not have any other method for implementing compensation requirements for frequency regulation service other than through tariffs. The Commission's public information collections are subject to analysis and review by Commission staff and are examined for redundancy.

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

This proposed rule applies to RTOs and ISOs which the Commission does not consider as small entities.

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

13 The initial notice, issued 10/6/2000, is available at http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=8036619 . Details on the current state of the eFiling program are posted at http://www.ferc.gov/docs-filing/efiling.asp. Information on the eTariff program is posted at http://www.ferc.gov/docs-filing/etariff.asp. In Order No. 714, the Commission required that all tariffs, tariff revisions and rate change applications be filed electronically starting April 1, 2010, with final implementation by September 30, 2010.

The proposed rule would require the RTOs and ISOs to make one time tariff changes. Therefore, the information will be collected once and entities will not be required to submit further information to the Commission.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

This program meets all of OMB's section 1320.5 requirements.

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

The Commission began its inquiry into faster-ramping resources in May 2010. On May 26, 2010, the Commission hosted a publicly-noticed technical conference[14] inviting various stakeholders, including representatives from the RTOs and ISOs, industry, and academia to share their views on whether current frequency regulation market designs reflect the value of the service provided, and whether the use of faster-ramping resources for frequency regulation has the potential to provide benefits to the organized markets. Interested parties were permitted to file comments after the technical conference. Separately, the Commission on June 11, 2010 issued a request for comments regarding potential approaches to categorizing storage service for compensation purposes.[15] The NOPR associated with this proceeding provides further opportunity for the public to comment on the proposed regulation

The following subsections provide a summary of comments during the technical conference as well as those comments filed subsequent to the conference.

Market Design and the Value of the Service Provided

With regard to market designs for frequency regulation service, participants at the technical conference generally agreed that compensation for regulating resources ought to reflect the service they perform for the system operator. However, there was disagreement regarding whether current market designs accomplish this objective. Some current market design features were cited as resulting in efficient price signals and appropriately differentiating between the amount of ACE correction that is provided by different regulating resources,[16] while others were said to be deficient.[17]

14 *See* Final Agenda, *Frequency Regulation Compensation in the Organized Wholesale Power Markets*, Docket No. AD10-11-000 (May 26, 2010).
15 *Request for Comments Regarding Rates, Accounting and Financial Reporting for Electric Storage Technologies*, Docket No. AD10-13-000 (June 11, 2010).
16 Tr. 93: 2-5 (Walawalkar); Tr. 103: 6-10 (Capp).
17 Tr. 72: 1-11 (Ott).

At the technical conference and in written comments, Beacon Power Corporation (Beacon) provided data on the amount of ACE correction provided by a faster-ramping resource relative to the generator response allowable under the ISO tariff.[18] According to Beacon's analysis of resources performing in the ISO-NE market, it is possible for a faster-ramping resource to provide more frequency regulation service than a slower-ramping resource. Beacon presents data showing, over a one hour period, a faster-ramping resource providing a total of 0.48 MWh of movement in response to the system operator's dispatch signal. If this same signal had been sent to a slower-ramping resource, it could have provided only 0.18 MWh and still been within ISO-NE's allowable response rate.

In addition, under certain circumstances a slower-ramping resource could actually be working against the system operator's need for ACE correction, so that only a portion of the energy produced positively contributes to correcting the ACE signal. By contrast, the faster-ramping resource can respond to the system's control needs more exactly. In the example discussed above, the allowed generator response produces 0.18 MWh, but 0.07 MWh of that is working against the system's ACE correction needs because of its slow-ramping capability. Therefore, only 0.11 MWh (61 percent) actually contributes to correcting ACE. At the same time, the fast-ramping resource is being dispatched more often and all of the energy it produces helps to correct ACE. Both resources are considered, from the perspective of ISO-NE's current tariff, to be 100 percent accurate, even though at times the slower-ramping resource is working against the system operator's ACE control needs.

In this example, Beacon asserted that the fast-ramping resource actually is providing more than four times as much ACE correction relative to the allowable response from an existing generator providing frequency regulation. With the exception of ISO-NE, the RTOs and ISOs limit compensation to frequency regulation resources to a capacity payment and net energy balancing. ISO-NE includes a payment for the amount of frequency service provided. As a result, these ISOs and RTOs would pay the fast-ramping resource and the slow-ramping resource the same amount, assuming both resources set aside the same amount of capacity to provide the service.

During the technical conference, PJM stated that it has no compensation structure for how much it asks a resource to move when providing frequency regulation and, as a result, it is likely under-compensating resources for speed and accuracy.[19]
On the other hand, representatives of Midwest ISO and NYISO indicated that they believe their current market designs are sufficient, because the amount of regulating capacity a resource is allowed to sell is based on its ramp rate, so faster-ramping resources are allowed to sell more regulating capacity.[20]

18 Beacon, Technical Conference Speaker Materials, at 7, Data from 1 MW in ISO-NE Alternative Regulation Pilot (May 26, 2010) (attached hereto as Appendix A).
19 Tr. 84:9-16 (Ott), 72:1-11 (Ott).
20 Tr. 72-73 (Ramey); Tr. 132: 8-11 (Ramey); Tr. 75-77 (Pike).

Alcoa noted that MISO and NYISO's rationale is only relevant to resources that are ramp constrained. Alcoa stated that its demand response-based regulating resource is capacity constrained, but not ramp constrained. Alcoa added that because Midwest ISO and NYISO both net the regulation up and regulation down that a regulating resource provides, neither compensates for the resource's actual ramping contribution. As a result, Alcoa's fast ramp rate does not allow it to sell any additional regulating capacity, and Alcoa has no incentive to bid into the market its true ability to ramp, instead offering a lower ramp rate.[21]

Several entities responding to the June request for comments also addressed market design issues for frequency regulation service.[22] These commenters argue that the market should place a monetary value on the service provided by the speed and accuracy with which certain storage technologies can respond to a regulation signal. Commenters also identified the potential benefits of using faster-ramping resources to provide frequency regulation service.[23]

Potential Cost and Reliability Benefits

Participants at the technical conference stated that the use of faster-ramping resources for frequency regulation has the potential to provide benefits to the organized markets. These benefits include allowing RTOs and ISOs to use less regulation capacity to meet current NERC standards, thus lowering regulation costs.[24] Further, use of faster-ramping resources frees slower-ramping resources to operate at stable output levels and, therefore, at more efficient heat rates which allows them to submit lower bids into energy markets, thereby lowering energy prices.[25]

To illustrate the efficiency of faster-ramping resources, some industry representatives – during the technical conference and in comments – referred to a Pacific Northwest National Laboratory study that examined the ability of faster-ramping resources to replace traditional generation resources in providing frequency regulation service in the CAISO.[26] The study defined an "ideal resource" as one that has a ramp rate equal to its entire capacity in one minute. The study's authors determined the ramping ability for various resource types in the current CAISO generation fleet that provide frequency regulation service, including hydro, combustion turbine, steam turbine, and combined cycle. The authors then estimated how many megawatts of these types of capacity can be replaced by 1 MW from an ideal resource. In one case, the

21 Tr. 68:13-22 (Todd).
22 Beacon, Comments, Docket No. AD10-13-000, at 8 (Aug. 9, 2010); NEMA, Comments, Docket No. AD10-13-000, at 2 (Aug. 9, 2010); Xtreme Power, Comments, Docket No. AD10-13-000, at 5 (Aug. 9, 2010); A123 Systems, Comments, Docket No. AD10-13-000, at 5-7 (Aug. 9, 2010); ESA, Comments, Docket No. AD10-13-000, at 2 (Aug. 9, 2010); NAATBatt, Comments, Docket No. AD10-13-000, at 4-5 (Aug. 9, 2010).
23 MegaWatt Storage Farms Comments Docket No. AD10-13-000. at 8-9 (Aug. 9, 2010); Xtreme Power, Comments, Docket No. AD10-13-000, at 2-3 (Aug. 9, 2010); A123 Systems, Comments, Docket No. AD10-13-000, at 4 (Aug. 9, 2010); ESA, Comments, Docket No. AD10-13-000, at 2 (Aug. 9, 2010).
24 Tr. 35-36 (Ott); Tr. 30-31 (Kathpal); Tr. 37-39 (Ramey).
25 *Id.*
26 Makarov, Y.V., Ma, J., Lu, S., and T.B. Nguyen, "Assessing the Value of Regulation Resources Based on Their Time Response Characteristics," Pacific Northwest National Laboratory, PNNL-17632, June 2008.

ideal resource was assumed to have no limits on its ability to sustainably provide energy. In a second case, the resource's ability to sustain energy reflects the actual ability of a flywheel, i.e., it reflects an energy-limited resource. In either case, the authors concluded that a faster-responding resource is able to provide more effective regulation capacity than most other resources, including the current generation fleet mix in the CAISO. When replacing these resources for frequency regulation service with an ideal resource, the authors found that 1 MW of an ideal resource with limited energy could replace 1.43 MW of an average hydro unit. The authors state that effectiveness increases as the ideal resource is compared to even slower ramping resources, reaching a maximum when 1 MW of an ideal resource with limited energy replaces more than 24 MW of an average steam turbine. Compared to the current CAISO fleet mix providing frequency regulation, which includes fast-responding hydro units, the authors found that 1 MW of a limited energy ideal resource could replace 1.17 MW of the current generation mix.

Representatives from some RTOs and ISOs, however, questioned at the technical conference whether procuring more fast-response resources would materially improve their ability to meet NERC ACE control performance standards.[27] For example, ISO-NE and NYISO acknowledged that using a combination of faster-responding resources has allowed them to meet their NERC standards by procuring relatively less regulation capacity than they would otherwise need.[28]

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

Not applicable. The Commission does not provide compensation or remuneration to entities subject to its jurisdiction.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

An entity seeking confidential treatment of the information must ask the Commission to treat this information as confidential and non-public, consistent with the Commission's regulations at 18 CFR 388.112. Generally, the Commission does not consider this information to be confidential.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE THAT ARE CONSIDERED PRIVATE.

There are no questions of a sensitive nature that are considered private.

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27 For example, NERC reliability requirement CPS1 requires each balancing authority to operate within a specific limit, taking into consideration clock-minute averages of ACE, frequency bias, and interconnection frequency error. NERC reliability requirement CPS2 requires each balancing authority to operate such that its average ACE is within a specific limit, during a calendar month, for at least 90 percent of clock-ten-minute periods.

28 Tr. 49:2-14 (Pike); Tr. 53:24-25 (Potishnak).

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The additional estimated annual public reporting burdens for the proposed reporting requirements in the NOPR in RM11-7 are as follows.

Data Collection FERC-516	Number of Respondents[29] [1]	Number of Responses [2]	Hours per Response [3]	Total Annual Hours [1 X 2 X 3]
Conforming tariff changes (18 CFR 35.28(g)(3)). One time burden.	5	1	100	500
Totals				**500 one time burden**

The following annual estimates include the current inventory plus the proposed requirements in the NOPR in RM11-7.

Data Collection FERC-516	No. of Respondents	No. of Responses	Total Hours
Current OMB Inventory	1,230	4,650	462,501
Changes in inventory due to proposed reporting requirements in the NOPR in RM11-7	0	5	500
Proposed total after adding in the changes from RM11-7	1,230	4655	463,001

13. ESTIMATE OF TOTAL ANNUAL COST BURDEN TO RESPONDENTS

The Commission has projected the cost of compliance to be **$57,000**.
Total Annual Hours for Collection in initial year (500 hours) @ $114 an hour [average cost of attorney ($200 per hour), consultant ($150), technical ($80), and administrative support ($25)] = $57,000. Subsequent years: $0.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The estimated annual costs to the FERC, associated with the NOPR in RM11-7, are:

29 SPP is not included in the respondents because they currently do not have a frequency regulation compensation mechanism in their tariff and independent of this proceeding they have indicated that they are already planning to implement such a mechanism. Therefore, it is expected that any additional burden on SPP due to this proceeding is expected to be *de minimus*.

Review and processing (4.76 X $142,372/FTE)	$ 677,486
Data Clearance	$ 1,528
Total FERC Costs	$ 679,014

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

The burden increase (500 hours) is necessary due to the requirement for 5 applicable entities to modify their current tariffs. The information collected is to modify existing tariffs and is used by the Commission to ensure that frequency regulation service providers are being compensated according to the actual service provided. Without requiring these changes to tariffs, ISOs and RTOs may not compensate certain types of frequency regulation service providers according to the value being provided.

16. **TIME SCHEDULE FOR PUBLICATION OF DATA**

The data will not be published.

17. **DISPLAY OF THE EXPIRATION DATE**

The information collected is not collected on standardized filing formats or a preprinted form that would avail itself of displaying the OMB control number. The control numbers for these information collections is displayed on the eTariff instructional manual posted on the Commission's web site at http://www.ferc.gov/docs-filing/etariff/implementation-guide.pdf .

18. **EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There are exceptions to the Paperwork Reduction Act Submission certification. The data collected for these reporting and recordkeeping requirements are not used for statistical purposes, so the Commission does not use (as stated in item 19(I)) "effective and efficient statistical survey methodology." In addition, as noted in no. 17, this information collection does not fully meet the standard set in 19 (g) (vi.).

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

This is not a collection of information employing statistical methods.