

**SUPPORTING STATEMENT FOR REQUESTS FOR APPROVAL UNDER
THE PAPERWORK REDUCTION ACT AND 5 CFR 1320
energy right[®] PROGRAM, 3316-0019**

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The *energy right*[®] Program is a collection of services designed to help residential and small commercial consumers solve energy use problems, provide a mechanism to properly manage growth of the electric power system, and to effectively communicate advantages of selecting electricity as a dwelling's or business's primary energy source. The program produces positive benefits for the consumers by providing ways for them to save money and reduce wasteful consumption of scarce, nonrenewable, natural resources. It also is within the broad directions of the TVA Act for the TVA Board of Directors "to make studies, experiments, and determinations to promote the wider and better use of electric power and it may cooperate with State governments, or their subdivisions or agencies, or other organizations, in the application of electric power to the fuller and better balanced development of the resources of the region....." (TVA Act, section 10, copy attached).

The *energy right* Program is a broad term that encompasses many activities which promote energy efficiency. The *energy right* New Homes Plan promotes all-electric, energy-efficient new homes. Plan features include whole-house energy efficiency requirements, incentives, and home energy rating tools. The *energy right* Heat Pump Plan promotes the installation of high efficiency heat pumps in homes and small businesses. Plan features include a certified contractor network, installation standards, incentives, and financing. The *energy right* New Manufactured Homes Plan promotes the installation of electric heat pumps in new manufactured homes. Plan features include a network of HVAC contractors, incentives, and an on-site validation of randomly selected installations. The *energy right* Water Heater Plan promotes the installation of energy-efficient electric water heaters in homes and small businesses. Principal program feature is a \$50 incentive payment to the distributor.

A minimum percentage of inspections are required in the New Homes and Heat Pump Plans to assure quality installations. All *energy right* Program installations, whether new homes, heat pumps, or water heaters, are reported to TVA through an online database, the *energy right* Information System -- *erIS*. An installation qualifying for the *energy right* Program typically is eligible for a cash incentive, known as a Market Value Payment (MVP). The Market Value Payment is a cash incentive paid to distributors to use or redistribute as they choose. Typically, distributors will use MVPs received from TVA to offset the costs of inspection services and administration of the program, as well as for paying incentives to builders, contractors, or homeowners.

Under the *energy right* Program Heat Pump Plan, participating distributors of TVA power may choose to offer loans for heat pumps and energy efficiency improvements. The distributor offers low interest loans up to \$12, 500 per home, and a repayment period not to exceed 10 years.

As a separate function aside from the data collection for the *energy right* Program, a survey is conducted every two to three years by Market Research and Evaluation. Residential information is collected as an independent measure of indirect program impact, effectiveness of communication efforts, changing demographics, program administration, changes in the saturation of other fuels, potential interest in energy efficiency, drivers of energy efficiency and changes in saturation of other electrical equipment. Results are used both with the *energy right* Program and power planning purposes at TVA. See the attached document OMB Collection of Information Employing Statistical Methods.doc for details related to this collection effort.

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

TVA and the local power distributors cooperate to provide low-interest loans and heat pump inspections to those consumers who heat or cool electrically and who need to make energy improvements to their residences.

The installation of energy improvements results in energy savings to both the TVA power system and to the consumer of TVA power. Such installations result from the low-interest financing, installation inspections, and the information provided to consumers.

TVA and local power distributors will use the survey results to assess the program potential, the effectiveness of their residential programs, determine potential program modifications, and for comparative purposes of the distributor's service area to a specified geographic district and the Valley overall. See the attached document OMB Collection of Information Employing Statistical Methods.doc for details related to this collection effort.

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. Also, describe any consideration of using information technology to reduce burden.

The information on all forms, except TVA 11105, is recorded by an energy services technician while in a residence or business inspecting installed improvements. TVA currently accepts electronic submission of forms TVA 11105 and 11105A, and will accept electronic submission of all other forms if the residential energy services technicians obtain remote entry computer capability.

Survey information will be gathered by telephone. This method is required to ensure consistent interpretation of survey questions.

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.

TVA internal review staffs periodically review the forms and surveys from statistical, marketing, and other perspectives. The forms and surveys are continually evaluated by these staffs and others to determine any improvements that can be made that will make data collection easier and less time consuming. TVA's legal staff reviews the forms and

assists in improving them when possible.

Surveys are closely monitored by TVA Market Research and Evaluation group to ensure the survey research does not duplicate existing efforts. Due diligence is exercised to ensure that survey questions are not needlessly duplicated.

All forms are coordinated and controlled by the staff that coordinates the *energy right Program*. One staff member is responsible for the development of all forms and assures there is no duplication of unnecessary information. Additionally, the forms are reviewed by a forms management person and ultimately by TVA's forms control officer. A large percentage of the information on the forms is entered into a central data base, where once again, the data is evaluated to assure no duplication of entry. Efforts have been made to reduce burden where possible.

There is no similar information currently available. Each installation inspection results in the collection of data that is only valuable to that particular dwelling.

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

The burden placed on small business is no greater than on any other respondent.

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

The information is collected on forms only once, and this is done at the customer's request.

Surveys are administered on an approximate two- to four- year cycle.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:
 - requiring respondents to report information to the agency more often than quarterly;
 - requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
 - requiring respondents to submit more than an original and two copies of any document;
 - requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
 - 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;
 - requiring the use of statistical data classification that has not been reviewed and approved by OMB;
 - that includes 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; or
 - 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.

None.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

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 record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years—even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

A copy of the Federal Register Notice is attached. There were no public comments. These forms are continually evaluated and discussed with numerous staffs who are associated in some respect with the program collection needs. Staffs are regularly consulted and informed of data collection needs. It is through consultations and training sessions that staffs learn from each other and generate the input that has allowed TVA to regularly simplify the forms and make them less burdensome to all.

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

In the past, TVA offered to employees and retirees the ability to participate in the *energy right* program and to take advantage of an awards program whereby each participating employee or retiree could choose an interest-free loan for *energy right* services. Employees who participated in the program prior to its cancellation who retire must convert the loan to a retiree's status. See form TVA 11105 for further details.

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

All forms except TVA 11105 ask no questions of a sensitive nature. A Privacy Act Statement appears on form TVA 11105.

In survey efforts, any information which could be construed to identify a specific respondent is kept in strict confidence. Anonymity of respondents is maintained in all analysis, and reporting.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

Not applicable.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

- If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.

- Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 14.

See response to # 14.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

- If cost estimates are expected to vary widely, agencies should present rates of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

- Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

None.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

- a) Number of respondents - 29,000
- b) Frequency of response - Once
- c) Number of responses - 29,000
- d) Hours per response - .30 (3 minutes per form x average of 6 forms = .3 hours)
- e) Annual burden - 8,700

The responses for each inspection varies with the degree of participation in the program. All of the attached forms are not completed for each installation. The number and type of forms completed depends on the customer's status (owner, landlord, tenant) and the degree of participation in the program; however, an average of six (6) forms or responses will be used by each respondent.

Responses for each survey (Residential Saturation Survey & Paper Audit) vary depending household characteristics and electrical equipment used. Respondents do not complete every question in the surveys.

- a) Number of survey respondents - 10,000
- b) Frequency of response - Once
- c) Number of responses - 10,000
- d) Hours per response - .33
- e) Annual burden - 3,300

There is no actual cost to the Federal government for this information collection. The *energy right* Program is funded by power revenues under TVA's Customer Service and Marketing organization.

The estimated hourly wage (including benefits) for the TVA service area is \$19.00; therefore, the estimated respondent cost is \$239,400 (\$19 x 12,600 hours = \$239,400 total estimated annualized cost to respondents). The hourly wage information was obtained from the PEW Center on the States, a research organization administered by the University of Richmond. A sixty percent load for benefits was added to the \$12.00 from the PEW Center to reach the estimated hourly wage of \$19.00.

15. Explain the reasons for any program changes or adjustment reported in Items 13 or 14 of the OMB Form 83-I.

The decrease in number of respondents/responses and annual burden represents an decrease in customer requests for an *energy right* evaluation.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Not applicable.

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.

Not applicable.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

Not applicable.

B. Statistical Methods

Information collection for program installations does not employ statistical methods.

See the attached document OMB Collection of Information Employing Statistical Methods.doc for details related to this collection effort.