

**Supporting Statement:
OE Recovery Act Financial Assistance Grants
OMB Control Number 1910-5149**

This supporting statement provides additional information regarding the Department of Energy (DOE) request for processing of the renewal of the proposed information collection, OE Recovery Act Financial Assistance Grants. The numbered questions correspond to the order shown on the Office of Management and Budget (OMB) Form 83-I, "Instructions for Completing OMB Form 83-I."

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

The Department of Energy (DOE) requires collection of information for Recovery Act Smart Grid grants. Sections 1304 and 1306 of the Energy Independence and Security Act of 2007 ("EISA"), enacted on December 19, 2007, Pub. L. 110-140, and amended in Section 405 of the American Recovery and Reinvestment Act of 2009 ("ARRA") authorize the Secretary of Energy ("Secretary") to establish programs to make grants and financial assistance to eligible applicants for qualifying investments. The information to be gathered will provide current information required by DOE project managers to manage individual grants, respond to OMB, congressional and consumer requests, and to guide budget preparation. All awardees will be required to submit the monthly data, regardless of their size.

Adequate stewardship of the Federal matching funds to be granted to the applicants cannot be done without this information. The ARRA requires exceptional transparency in the conduct of its programs, and these data are an essential component of what will make that transparency a reality. The information also enables program staff to provide required or requested timely information on program activities to OMB, Congress and the public.

2. Indicate how, by whom, and for what purpose the information is to be used.

This information collected is required by Department of Energy program and project managers as part of the due diligence function to ensure the technical merit of the work being done, to assess progress in achieving scheduled milestones, as well as review of cost information to ensure compliance with the statutes. DOE will collect data on cost and schedule variance, including Budgeted Cost of Work Scheduled (BCWS), Budgeted Cost of Work Performed (BCWP), and Actual Cost of Work Performed (ACWP). In addition, DOE will collect data on progress against project milestones. DOE will also collect information pertaining to the change in existing project risks or new risks. All of the metrics to be collected per this request are listed below and will be collected via one collection tool. Monthly data will be presumed to be for internal use, but where made public, DOE will caveat the data as "preliminary/informal and subject to change."

Field		Definition / Metrics
ACWP	Actual Cost of Work Performed	The cost actually incurred for the work accomplished during the period of performance.
BCWP	Budgeted Cost of Work Performed	Sum of all budgets for all completed work and the completed portions of ongoing work. Total budget for the scope that was actually accomplished during the period of performance.
BCWS	Budgeted Cost of Work Scheduled	Planned accomplishment established in performance measurement baseline.
ETC	Estimate to Complete	Current estimate for the remaining project scope. This is the estimate for all remaining work excluding contingencies.
BAC	Budget at Completion	Sum of all budgets allocated to a project excluding management reserve.
FTE Hours	Full-Time Equivalents Hours	Total number of hours worked on the project in the reporting quarter, including recipient cost-share.
Risk	Risk Management Data	Updates to existing risks identified in the Risk Management Plan or new risks that occur after project start.
Milestones	Key Project Milestones	List of relevant key project milestones and target dates that will allow of coordination of site visits and important public events.
Smart Meters Installed	# of Smart Meters installed	For 62 SGIG recipients only (these 62 are the only ones installing smart meters as part of the grant agreement scope of work), count of smart meters installed during the reporting period.

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.

DOE has requested that status reports be submitted by recipients in one of two ways: (1) when part of the supporting documentation for invoices, be submitted in electronic format through DOE's Vendor Inquiry Payment Electronic Reporting System (VIPERS) (grant recipients reach this system via <http://finweb.oro.doe.gov/vipers.htm>); and (2) otherwise, be submitted via DOE web-based project management systems (<https://sipris.energy.gov>). Electronic submission of reports will result in greater efficiency, timely reporting and a reduced paperwork burden for grantees and DOE program staff. It will allow grantees to update and modify prior year plans, eliminating the need to retype information on continuing activities.

4. Describe efforts to identify duplication.

The Office of Electricity (OE) financial assistance grants are newly established programs authorized by the Energy Independence and Security Act of 2007 (P.L. 110-140) and the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). To ease the reporting

burden on the recipients, DOE has included only those data elements absolutely needed for program management. Under the provisions of ARRA, grantees will be required to report to OMB as well as DOE. However, the data collected by DOE is not duplicative of that required by OMB. The data being collected by DOE includes project management data and risk management data, jobs created by the recipient share of funds, and key project milestones. None of these data elements are part of the OMB-required reporting.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

All awardees will be required to submit the monthly data, regardless of their size. There is no practical way to reduce the burden on small businesses without thwarting the transparency and oversight requirements of the ARRA. Small local governments and tribal entities are also subject to the reporting requirements if selected as grantees. While the web-based system should not pose a problem for the local governments, certain tribal entities may have technical difficulties. DOE will provide technical assistance to these tribal entities and has worked closely with their tribal councils and the Bureau of Indian Affairs to ensure that they can comply and will not be penalized for delays due to any technical difficulties they experience.

6. Describe the consequence 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.

All programs funded through ARRA will be subject to increased attention and scrutiny from OMB, Congress, the media and the public. President Obama has pledged transparency and accountability in the expenditure of ARRA funds. If this information is not collected, DOE will not be able to provide complete reports to OMB or respond to requests for information on ARRA-funded activities and expenditures. If the information is collected less frequently than monthly, DOE will not be able to adequately track activities and funds status against milestones as necessary, and the ability of DOE to provide adequate project management oversight will be compromised. Furthermore, timely information about the progress of these projects or the implementation of the ARRA will not be available to OMB, the White House, Congress and the public. Frequent reporting will also allow any problems, barriers or system bottlenecks to be identified and resolved right away.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

There are none. The information collection is being conducted in a manner that is consistent with OMB guidelines.

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 5CFR 320.8(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 in response to comments. Specifically address comments received on cost and hour burden. Describe efforts to consult with persons outside DOE.

Notice of intent to seek approval of this information collection was published in the Federal Register August 10, 2011, Vol. 76, No. 154, page 49460. Notice of OE's request for extension of the information collection was published in the Federal Register on October 7, 2011; Vol. 76, No. 195, page 62395. Comments were posted, along with the agency Federal Register notices and a draft of the Reporting Guidance, on the Office of Electricity Website at <http://energy.gov/oe/technology-development/smart-grid/recovery-act-smart-grid-investment-grants/smart-grid-investment>.

A complete list of public comments and DOE's response will be provided when the comment period closes. Here is the full text of the two responses received to date:

1. *This email is in reference to the U.S Department of Energy, Notice and Request for Comments, monthly vs. quarterly reporting.*

The importance of reporting and collecting project information is strongly supported, but monthly reporting has proven to be overly burdensome. The initial contract requirement stated monthly reporting would be required for the first six months and quarterly reporting thereafter. Extending this modification is not practical and is unnecessary. The monthly reports tend to be repetitive and show no real change in project status, since many project processes extend over a 30 day period. Current monthly reporting efforts, involve several levels, including time to develop the report, report merging (sub-recipients), final review, and uploading, which in the past have been very time consuming. Moving to quarterly reporting will cut this burden, maintain accuracy, quality, and purposeful information.

Thank you,

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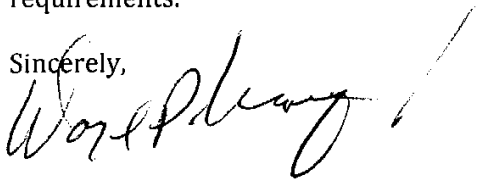
2. *Town of Danvers letter to DOE dated October 11, 2011:*

In response to the request for comments outlined in Federal Register Volume 76, Number 154 (Wednesday, August 10, 2011) page 49460 [FR Doc No: 2011-20334], the Town of Danvers would like to go on record as opposing the continued monthly reporting requirement in the above-captioned matter. The process of reporting monthly rather than quarterly is burdensome and adds unnecessary cost to the Smart Grid project.

We are confident that reporting project information on a quarterly basis will allow the Department of Energy (DOE) to closely monitor progress and control costs and expenditures. This is a multi-year program and the monthly reporting is not matched by any benefits to Danvers or DOE in terms of oversight and control. Rather, it seems to generate unnecessary consulting efforts and project costs.

We respectfully request that DOE allow the monthly reporting requirement to lapse and that Danvers be allowed to return to the more traditional quarterly reporting requirements.

Sincerely,



Wayne P. Marquis
Town Manager

DOE Response to City of Fort Collins and Town of Danvers comments on ICR 1910-5149:

The Department of Energy (DOE) appreciates feedback from these Smart Grid Investment Grant recipients regarding information collection request 1910-5149. DOE is sympathetic to the demands on recipients for reporting and the burden that it causes. We have striven to minimize the burden as much as possible without compromising the responsibility of DOE to the taxpayers to ensure that Recovery Act's mandate of greater transparency is carried out. A major component of that transparency is greater oversight and monitoring than is typical of most government projects. In the case of Smart Grid projects, this means more frequent reporting to DOE project officers who are charged with keeping these projects on track.

DOE staff has indicated that the earned value data has been very helpful in tracking and monitoring project health specifically due to the nature of these projects – deployments of large volumes of equipment over wide service areas – thus allowing the DOE to more rapidly respond to challenges faced by the projects such as extreme weather or regulatory hurdles. During the course of the last year, DOE projects officers have used the earned value, risk management and milestone data to determine when projects' performance is slipping, and then initiate corrective action to get these projects on track. As a result, the associated earned value metrics maintained by DOE have seen significant improvement during the course of 2011.

In addition, smart meter counts are allowing the administration as well as individual recipients to report to the taxpayers the tangible progress on this major investment.

Recipients of the smart grid investment grant program have shown this progress by being able to report between 400,000 and 700,000 meters installed each month during 2011.

Due to the concerns raised by recipients such as City of Fort Collins and Town of Danvers, DOE will continue to assist recipients with responding to these reporting requirements so that recipients are able to efficiently fulfill them while experiencing the least burden possible. During the year, DOE has assisted several recipients in this manner by answering questions and providing feedback on best practices to reporting. We will continue to make this a priority through the duration of this information collection.

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

No payment or gift has been or will be provided to respondents.

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

No identifiable confidential information is being requested. The transparency requirements of the ARRA are such that awardees must submit certain information for publication on a government-maintained public-access web site; therefore, confidentiality is not an issue.

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.

No questions of a sensitive, personal or private nature are being asked.

12. Provide estimates of the hour burden of the collection information. The statement should indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.

Grantees will be required to report monthly on programmatic and financial status. It is estimated that a grantee will spend sixteen (16) hours preparing each report:

- Field data collection (8 hours)
- Data assembly and review by project compliance lead (4 hours)
- Data validation by financial oversight organization (2 hours)
- Data review by project-level PMO (1 hours)
- Report review and approval by project executives (1 hours)
- Total Level of Effort (16 hours)*

* Two hours of this Level of Effort are estimated to be required for the new requirement for collecting meters installed counts.

The estimate of hour burden of the information collection is as follows:

Total number of unduplicated respondents: 138

Reports filed per grantee: 12

Total annual responses: 1,656

Total annual burden hours: 26,496 (The agency discretion portion should be based on 2 hours per response multiplied by 60 responses. Only 60 of the 138 recipients report smart meter installations multiplied by 12 responses per year equals 1,440 hours. The change in total time burden compared to the previous collection is an increase in 13,248 hours as detailed below. The time burden due to new reporting requirements is 1,440. The remainder of the change in time burden compared to the previous collection is 11,808 (13,248 - 1,440) due to increases in the program's estimate of the time required to respond to the collection.)

Average Burden	Per Collection: 16.0
	Per Applicant: 192.0 (16 hours per report times 12 reports annually)

The burden hour total has increased (26,496 vs. 13,248) compared to the previous information collection request for two reasons. First, as a result of frequent Administration requests for updates on the progress of smart meter installations (a major component of smart grid investment grant work scope), DOE added an additional requirement for recipients to provide a monthly count of smart meter installations as part of this information collection (it was not part of previous collections). This requirement is included in a modified version of the excel template collection instrument already being used for current requirements. Please note that this specific requirement applies to only 60 of the 138 respondents. So, for 78 respondents, this requirement will have no impact. Installation and deployment of smart meters across the US under the Smart Grid Investment Grant program is a major pillar of both the Administration's and DOE's Recovery Act activities, and so the collection of this information is critical to the oversight of this program.

An additional two hours is estimated to be required for each affected respondent to collect and report this data to DOE. Most recipients who are installing smart meters are expected to be tracking these meters using an automated inventory tracking system. It is expected that the recipient will be able to comply with the DOE reporting request using data collected from queries of the tracking system database. As a result, the running of the query on monthly meter installation count should be instantaneous. The input of that information into the DOE collection tool will only require a few minutes (based on user testing). However, it is possible that a small number of recipients may not be using an automated system for tracking meter inventory, and therefore, would have to review their paper records (such as installation work orders) to generate a count. DOE is estimating

that such a manual review would take approximately two hours and therefore, will use that figure as the estimate of burden impact.

Second, DOE has been in regular contact (both formal and informal) with recipients regarding burden impact over the last year as recipients have complied with this information collection. Due to feedback from recipients, DOE decided to revise the estimate higher, adding three hours to field collection, two hours to data assembly, and one hour to data validation. The estimate for field data collection has been revised higher based on feedback from those recipients who have indicated being unfamiliar with DOE's application of earned value management (EVM). DOE is using EVM to track project performance, and the reporting of certain EVM metrics as part of this collection. Some recipients have indicated to their project officer that they have had to learn DOE's application of EVM principals and then adjust their internal project management and oversight to comply with the reporting requirements, and this has resulted in an additional burden beyond what DOE estimated in the previous ICR. Rather than permanently modify their internal accounting and controls, these recipients are tracking the DOE data elements in parallel. Consequently, DOE has increased the estimate for field data collection to account for this additional burden.

In addition, some recipients have indicated that completing and uploading the collection instrument to the online repository (data assembly) requires approximately one to two more hours per month than DOE originally estimated in the previous ICR. A few recipients have also indicated that their internal review (data validation) process is more complex than DOE originally assumed. This is due mainly to recipients having multiple layers of management that require review of the data collection prior to submittal to DOE. For example, one recipient has three distinct projects (with separate entities owning each project) that combine together as one under the grant agreement. This recipient has indicated that additional time has been required to assemble three sets of data into one, and then have management for the three entities approve the assembled data. Of the 138 respondents, there are less than ten that have this or a similarly unique configuration, so the burden impact is not expected to be as high for more orthodox project configurations.

The recipient feedback is not surprising to DOE and as we have indicated in the previous ICR, the burden for each recipient may vary based on the size of the project.

The estimated time required for DOE project management staff to review each monthly report is one hour and is unchanged from the previous ICR.

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

The **average** annual cost burden to respondents is estimated at $\$7,000 * 138 = \$966,000$ each year. Please note that the actual costs for each recipient will vary considerably based on the size of the project.

These costs are based on the assumption that each grant recipient will need to dedicate one personal computer (PC) to provide the required reporting. Annual costs are based on an estimate of about \$7000 to maintain the PC and provide staff time (\$1000 for the PC and \$6000 for staff time) – based on the burden hours calculated above - to complete and submit the reports. Please note that due to the increase in the burden hour estimate over the previous estimate in last year's request (increase from 8 hours per response to 16 hours per response), the labor cost estimate has increased from \$3000 in last year's request to \$6000 this year. It should be noted that many recipients will likely already have PCs so a new purchase may not be necessary, thus reducing the cost burden on the recipient.

14. Provide estimates of annualized cost to the federal government.

1,656 hours (138 monthly reports * 12 months) @ \$40 an hour = \$66,240. As a result of the impact of the requirements of both the Energy Infrastructure Security Act of 2007 and ARRA on the DOE, new additional federal and contractor support to carry out these new programs was necessary. This estimate reflects the resources needed to process and analyze the data being reported by recipients.

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

There are no revisions from the previously approved renewal.

16. For collections whose results will be published, outline the plans for tabulation and publication.

There are no plans to publish results

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

DOE is not seeking approval not to display expiration date.

18. Explain each exception to the certification statement identified in item 19 of OMB form 83-I.

There are no exceptions are being requested.