

SUPPORTING STATEMENT FOR

FERC-733, Demand Response/Time-Based Rate Programs and Advanced Metering Survey

The Federal Energy Regulatory Commission (Commission) requests the Office of Management and Budget (OMB) review and approve the information collection **FERC-733, Demand Response/Time-Based Rate Programs and Advanced Metering Survey**. This information collection supports the requirements of section 1252(e)(3) of the Energy Policy Act of 2005 (EPAAct 2005).

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Section 1252(e)(3) of the EPAAct 2005,¹ requires the Commission to prepare and publish an annual report, by appropriate region, that assesses demand response resources, including those available from all consumer classes. Specifically, EPAAct 2005 section 1252(e)(3) requires that the Commission identify and review:

- (A) saturation and penetration rate of advanced meters and communications technologies, devices and systems;
- (B) existing demand response programs and time-based rate programs;
- (C) the annual resource contribution of demand resources;
- (D) the potential for demand response as a quantifiable, reliable resource for regional planning purposes;
- (E) steps taken to ensure that, in regional transmission planning and operations, demand resources are provided equitable treatment as a quantifiable, reliable resource relative to the resource obligations of any load-serving entity, transmission provider, or transmitting party; and
- (F) regulatory barriers to improved customer participation in demand response, peak reduction and critical period pricing programs.

The Commission will use the information obtained by the survey to prepare and publish a report, as required by section 1252(e)(3) of EPAAct 2005.

¹ Pub. L. No. 109-58, § 1252(e)(3), 119 Stat. 594, 966 (2005) (see Attachment A which contains demand response excerpts from EPAAct 2005).

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In 2006, 2008, 2010, and 2012 the Commission designed and used OMB approved collections FERC-727 (2006), FERC-728 (2008), and FERC-731 (2010 and 2012), to collect and convey to Congress the requested demand response and advanced metering information. The collection proposed here will update the information filed previously in prior surveys.

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

The Commission proposes to use the information collected on the voluntary survey to meet its statutory requirements under section 1252(e)(3) of EPCA 2005 by analyzing and compiling the information and presenting it to Congress and the public in the *2014 Assessment of Demand Response and Advanced Metering* report. The information proposed to be collected in FERC-733 will enable the Commission to produce a timely and comprehensive report to Congress and the public using updated information on demand response programs and advanced metering in the United States.

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

As it has in the past, the Commission will conduct this survey using a fillable electronically “fileable” form provided by the Commission. FERC staff has designed a survey that will impose minimal burden on respondents by providing an easy-to-complete, fillable form that will include such user friendly features as pre-populated fields and drop-down menus. It is a streamlined and simplified version of past surveys and can be electronically filed. A paper version of the survey may be filed by those who are unable to file electronically.

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 2

The Commission investigated alternatives to FERC-733, including using data from the North American Electric Reliability Corporation (NERC) and the Energy Information Administration (EIA). However, as explained below, the data is not currently collected or cannot be obtained by the Commission in time to complete the 2014 report to Congress.

NERC, as the Electric Reliability Organization for the United States² as certified by the Commission, has begun to collect demand response data on dispatchable and non-dispatchable resources for its reliability work. Reporting demand response information in the Demand Response Availability Data System (DADS) is mandatory for all entities that are part of NERC's functional model. The Demand Response Data Task Force at NERC developed DADS to collect demand response program information. DADS currently collects information on dispatchable and controllable demand response resources. DADS does not currently collect and report information on several key demand response program types including economic, and time-based rate programs. Because DADS does not currently collect and report data which is specifically required by EAct 2005, the system cannot be relied upon for FERC's reporting purposes. EAct 2005 specifically requires FERC to identify and review time-based rate programs.

NERC plans to require its registered entities to report information on these other demand response program types in the future, but it is unclear at this time when NERC may begin to collect these additional data or whether the new data will be available or suitable for FERC staff to use to prepare their reports to Congress.

The EIA collects aggregated information on energy efficiency and load management as well as advanced metering data in its EIA-861, "Annual Electric Power Industry Report." The data collected in this survey does not identify specific demand response programs or time-based rate programs, but it does support the Commission's advanced metering data needs. Unfortunately, the finalized advanced metering data for 2013 will not be available until the fourth quarter of 2014 under EIA's proposed schedule.

Because these alternatives will not provide data or will not provide data in a timely manner for the 2014 report, the Commission proposes to conduct a survey (attached) with a response deadline of May 1, 2014. This survey has been designed to be consistent with the NERC's data collection such that, in future years, the Commission may be able to use the NERC data when it becomes available, phase-out the FERC demand response survey and still comply with EAct 2005 Section 1252(e)(3).

The Commission proposes to revise the structure of its question on advanced meters to comport with recent changes approved by OMB for the EIA in Form EIA-861, Schedule 6, Part D. "Advanced Metering and Customer Communication." The Commission also proposes to eliminate certain data elements requested by the 2012 FERC-731 including:

² North American Electric Reliability Corp., 116 FERC ¶ 61,062, order on reh'g & compliance, 117 FERC ¶ 61,126 (2006), appeal docketed sub nom. Alcoa, Inc. v. FERC, No. 06-1426 (D.C. Cir. Dec. 29, 2006).

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the respondents' number of customers by customer sector in Question 3 and the request for the respondents' long-range (4 to 6 years) plans for demand response programs in Question 5.

The Commission believes that the above changes should result in more accurate and streamlined data collection that will reduce respondent burden.

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

There may be small entities that are affected by the FERC-733 reporting data requirements. However, because the information should be readily available to all respondents, we believe that the burden imposed on small entities for this collection should be minimal.

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

It is not possible to collect the data less frequently. Section 1253(e)(3) requires that the Commission prepare annual reports to Congress. In addition to meeting a statutory requirement, the Commission will also obtain up-to-date information on demand response programs and advanced metering systems that supports Commission programs.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

The FERC-733 survey meets the guidelines of 5 C.F.R. 1320.5(d).

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

In accordance with OMB requirements, the Commission published a 60-day notice³ and a 30-day notice⁴ to the public regarding this information collection on 10/23/2013 and 1/2/2014 respectively. Within the public notice, the Commission noted that it would be requesting a three-year approval of the information collection requirements.

The Commission did not receive any comments in response to the 60-day public notice.

3 78 FR 63172
4 79 FR 118

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents for completing this survey.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDE TO RESPONDENTS

All data filed are public information and, therefore, are not confidential. The instructions to the FERC-733 notify respondents that the information reported in the FERC-733 is considered public and may be publicly released in identifiable form. A respondent has the option to seek confidential treatment of some or all parts of the information requirement under FERC regulations at 18 C.F.R. § 388.112. Each request for confidential treatment will be reviewed by the Commission on a case-by-case basis.

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 contained in this survey.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The estimated average public reporting burden and cost for FERC-733 follow.

FERC-733: Demand Response/Time-Based Rate Programs and Advanced Metering					
	Number of Respondents (A)	Number of Responses Per Respondent (B)	Total Number of Responses (A)x(B)=(C)	Average Burden Hours per Response (D)	Estimated Total Burden (C)x(D)
Entities that serve wholesale and retail customers	3,400	1	3,400	3.5	11,900

The total estimated cost burden to respondents for the 2014 survey is \$669,613 (11,900

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hours/year X \$56.27/hour⁵ = \$669,613. The estimated cost per respondent for the survey is \$196.95 (3.5 hours/survey X \$56.27/hour = \$196.95).

The above burden hours and cost are shown for one instance of the survey. As this survey is done every two years, and OMB approval is generally for three years, the Commission adds the total burden across three years (11,900 hours + 11,900 hours = 23,800 hours) and divides the total by the number of years in the approval period (23,800 hours / 3 years = 7,933.33 hours per year) to arrive at an annual burden amount of 7,932 hours.⁶ We estimate the total annual burden per entity as 2.33 hours. Similarly, the responses are added across three years (3,400 responses + 3,400 responses = 6,800 responses) and divided by the number of years in the period (6,800 responses / 3 years = 2,266 responses per year.⁷

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no non-labor costs associated with the survey.

⁵This figure is based on the average salary plus benefits for a management analyst (NAICS Occupation Code 13-1111). We obtained wage and benefit information from the Bureau of Labor Statistics (see http://bls.gov/oes/current/naics2_22.htm and <http://www.bls.gov/news.release/ecec.nr0.htm>).

⁶ The actual figure would be 7,933 but 7,932 is what we get using the ROCIS submission system.

⁷ The actual figure would be 2,267 but 2,266 is what we get using the ROCIS submission system.

14. ESTIMATE ANNUALIZED COST TO THE FEDERAL GOVERNMENT

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of filings ⁸	3	\$437,454
PRA ⁹ Administrative Cost ¹⁰		\$2,250
FERC Total		\$439,704

The Commission bases its estimate of the “Analysis and Processing of filings” cost to the Federal Government on salaries and benefits for professional and clerical support. This estimated cost represents staff analysis, decision-making, and review of any actual filings submitted in response to the information collection.

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

As compared with the 2012 version of the survey, the Commission estimates that respondents will require 30 minutes less (3.5 hours instead of 4 hours) to complete the 2014 survey. This reduction is due to the Commission’s proposal to (1) align its collection of Advanced Metering Infrastructure (AMI) installations with that of the Energy Information Administration, (2) consolidate several questions, (3) eliminate some of the data collected on the FERC-731, (4) include three additional categories regarding customer's methods of accessing data, and (5) request additional details concerning retail demand response programs that participate in wholesale programs. The Commission believes that the above changes should result in a more accurate and streamlined data collection by reducing the time necessary for reviewing instructions, completing, reviewing and submitting the survey.

⁸ Based upon 2013 FTE average salary plus benefits of \$145,818.

⁹ Paperwork Reduction Act.

¹⁰ The Commission bases the cost of Paperwork Reduction Act administration on staff time, and other costs related to compliance with the Paperwork Reduction Act of 1995.

16. TIME SCHEDULE FOR THE PUBLICATION OF DATA

The Commission proposes to publish the collected information in its ninth annual Demand Response and Advanced Metering report before December 31, 2014. The survey responses will also be available in database or spreadsheet format on the Commission's website.

17. DISPLAY OF EXPIRATION DATE

Upon approval, the survey will display the OMB control number and expiration date. The survey instructions will contain an estimate of the reporting burden and the location where respondents may submit comments about the burden estimate and ways to improve the data collection. The instructions will also have a disclaimer that no response is required unless the survey displays a valid OMB control number.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

The Commission proposes to use a statistical survey methodology for this collection of information as more fully described in Part B of this submission.