

**SUPPORTING STATEMENT FOR
FERC-516A "Standardization of Small Generator Interconnection
Agreements and Procedures"**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and extend its approval of FERC-516A "Standardization of Small Generator Interconnection Agreements and Procedures" for a three-year period.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Under sections 205 and 206 of the Federal Power Act (FPA)¹ the Commission is charged with ensuring just and reasonable electric transmission rates and charges as well as ensuring that jurisdictional providers do not subject any person to any undue prejudice or disadvantage.

The lack of consistent and readily accessible terms and conditions for connecting resources to the grid led to a large number of disputes between jurisdictional transmission providers and small generators² in the late 1990s and early 2000s. In response, the Commission directed transmission providers to include Commission-approved, standard, pro-forma interconnection procedures (small generator interconnection procedures or SGIP) and a single, uniformly applicable interconnection agreement (small generator interconnection agreement or SGIA) in their open-access transmission tariffs (OATTs). The requirement to create and file these documents was first put in place August 12, 2005, by Commission Order No. 2006³ and is codified in 18 CFR 35.28(f).

Since the issuance of Order No. 2006, many aspects of the energy industry have changed, including the growth of small generator interconnection requests⁴ and the growth in solar photovoltaic (PV) installations, driven in part by state renewable energy goals and policies.

¹ 16 U.S.C. § 824d and 824e.

² "Small generators" are generating facilities having a capacity of no more than 20 megawatts (MW).

³ Standardization of Small Generation Interconnection Agreements and Procedures, Order No. 2006, 70 FR 34189 (May 12, 2005), FERC Stats. & Regs. ¶31,180 (2005).

⁴ See, e.g., *Cal. Indep. Sys. Operator Corp.*, 133 FERC ¶ 61,223, at P 3 (2010) (stating that an increasing volume of small generator Interconnection Requests had created inefficiencies); *Pacific Gas & Elec. Co.*, 135 FERC ¶ 61,094, at P 4 (2011) (stating that increased small generator Interconnection Requests resulted in a backlog of 170 requests over three years); *PJM Interconnection, LLC*, 139 FERC ¶ 61,079, at P 12 (2012) (stating that smaller projects comprised 66 percent of recent queue volume).

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For example, approximately 3,300 MW of grid-connected PV capacity were installed in the U.S. in 2012,⁵ compared to 79 MW in 2005, the year Order No. 2006 was issued.⁶

In February 2012, pursuant to Sections 205 and 206 of the FPA and Rule 207 of the Commission's Rules of Practice and Procedures,⁷ and noting that the Commission encouraged stakeholders to submit proposed revisions to the regulations set forth in Order No. 2006,⁸ the Solar Energy Industries Association (SEIA) filed a Petition to Initiate Rulemaking (Petition). The Petition requested the Commission revise the *pro forma* SGIA and SGIP set forth in Order No. 2006. SEIA asserted that the *pro forma* SGIP and SGIA as applied to small solar generation were no longer just and reasonable, had become unduly discriminatory, and presented unreasonable barriers to market entry.⁹

In 2012 the Commission issued a Notice of Petition for Rulemaking in Docket No. RM12-10-000 seeking comments on the Petition and held a technical conference to discuss issues related to the Petition.

In January 2013, the Commission issued a notice of proposed rulemaking that included proposed revisions to the *pro forma* SGIP and the *pro forma* SGIA. In November 2013, the Commission issued Order No. 792 revising the *pro forma* SGIP and the *pro forma* SGIA. In Order No. 792 FERC modified the *pro forma* SGIP and SGIA to provide the interconnection customer with more flexibility and options when seeking to interconnect. The 516A as modified with Order No. 792: (1) provides interconnection customers with the option of requesting from the transmission provider a pre-application report providing existing information about system conditions at a possible point of interconnection; (2) revised the 2 MW threshold for participation in the Fast Track Process included in section 2 of the *pro forma* SGIP; (3) revised the customer options meeting and the supplemental review following failure of the Fast Track screens so that the supplemental review is performed at the discretion of the interconnection customer and includes minimum load and other screens to determine if a small generating facility may be interconnected safely and reliably; (4) revised the *pro forma* SGIP Facilities Study Agreement to allow the interconnection customer the opportunity to provide written comments to the transmission provider on the upgrades required for interconnection; (5) revised the *pro forma* SGIP and the *pro forma*

⁵ Sherwood, Larry, U.S. Solar Market Trends 2012 at 4, available at <http://www.irecusa.org/wp-content/uploads/2013/07/Solar-Report-Final-July-2013-1.pdf>.

⁶ U.S. Solar Market Insight Report, 2012 Year in Review, Executive Summary Table 2.1, available at <http://www.seia.org/research-resources/us-solar-market-insight-2012-year-in-review>.

⁷ 18 CFR 385.207 (2012).

⁸ SEIA Petition at 4 (citing Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 118).

⁹ SEIA Petition at 12.

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SGIA to specifically include energy storage devices; and (6) clarified certain sections of the *pro forma* SGIP and the *pro forma* SGIA.

The FERC-516A policies and regulations are necessary because they set and maintain a standard in transmission provider OATTs for their consistent consideration and processing of small generator interconnection requests. As revised by Order No. 792, the FERC 516A reduces the time and cost to process small generator interconnection requests for interconnection customers and transmission providers, maintains reliability, increases energy supply, and removes barriers to the development of new energy resources.

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

Transmission providers and small generators seeking interconnection to the power grid use the *pro forma* policies and procedures included in the FERC-516A.

If the FERC-516A policies, procedures and *pro forma* language were not included in transmission provider OATTs, transmission providers and small generators would have to go through a lengthy and variable process for each interconnection. The process would be unduly burdensome. Inefficiencies and uncertainty would delay bringing needed generation on line. Disputes between transmission providers and small generators would likely increase. Reliability of the grid could be compromised, energy supplies might decrease and the rate of adding new energy resources to the power grid might decrease.

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

All transmission providers must include the 516A *pro forma* small generator interconnection procedures and agreements as part of their tariff. The tariffs and the 516A materials in the tariffs are available to the public on the internet through FERC's eTariff viewer. The easy electronic access to 516A materials minimizes the work interconnecting generators must complete to request interconnection. The uniformity of the materials and policies eliminates guess work and the need to start from scratch when a small generator and a transmission provider begin working to interconnect a resource. All compliance filings from transmission providers to adopt Commission orders related to the 516A are reviewed to ensure all tariffs are current and fully consistent with the Commission's 516A procedures and policies. The

compliance filings and agency action on the filings are also available on the internet in the agency's eLibrary.

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 516A consists of language that transmission providers must incorporate into their tariffs to standardize their interconnection processes. Each transmission provider's 516A is consistent with FERC regulations. Small generators compile project-specific information within the 516A processes. Nevertheless, each interconnection request is unique to the transmission provider system and the customer seeking access to the grid. There are specifications associated with each generation resource and the interconnection point. There are no similar sources for any of this information that a customer or transmission provider could use or modify to achieve interconnection in a standard way that is consistent with FERC regulatory requirements.

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

This collection was instituted in August 2005 to reduce existing burden on small entities, namely the small generator seeking new transmission interconnection. Prior to beginning this collection, small generators would follow case-by-case interconnection procedures for each interconnection they sought. They would have to draft and submit customized applications to transmission providers.

Small generators have benefitted because they can access *pro forma* interconnection documents for each transmission system through the internet and Commission's eTariff viewer. Transmission providers have benefitted because they no longer need to negotiate and process small generator interconnection requests on a case-by-case basis. Typical information needed for interconnection from each small generator seeking interconnection is asked for uniformly.

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

Jurisdictional transmission providers make an initial compliance filing to implement the standard provisions of 516A policies and procedures. Afterwards, transmission providers

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must only file any nonconforming agreements they must undertake to interconnect a generator. The 516A policies and procedures may be updated, if needed, to reflect system changes and/or administrative organizational changes. It is not possible to require the 516A be completed less frequently because the filings occur only as necessary so the transmission provider's OATT is up-to-date and accurate.

Interconnection requests through the 516A policies and procedures occur when a generator seeks interconnection, not on a prescribed schedule.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances related as described in 5 CFR 1320.5 as part of this collection.

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 notice¹⁰ and a 30-day notice¹¹ to the public regarding this information collection on April 17, 2013 and July 31, 2014 respectively. Within the public notices, the Commission noted that it would be requesting a three-year extension of the public reporting burden. The Commission received no responses from the public regarding this information collection.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

No payments or gifts have been made to respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The FERC-516A information submitted to the Commission is public and, therefore, is not considered confidential. Specific requests for confidential treatment to the extent permitted by law will be considered pursuant to 18 CFR 388.112.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF

¹⁰ 79 FR 21745

¹¹ 79 FR 44443

A SENSITIVE NATURE

There are no questions of a sensitive nature.

12. ESTIMATED BURDEN OF THE COLLECTION OF INFORMATION

The first table below shows the currently approved burden for this control number, including the Order No. 792 updates in November 2013. The first two rows show the burden existing prior to Order No. 792.

Prior to Order No. 2006 in May 2005, many generators seeking interconnection had to navigate a complex and time consuming process in order to finalize an interconnection agreement.¹² Before Order No. 2006, the Commission had encouraged, but not required, transmission providers to develop standard interconnection agreements and specific criteria, procedures, milestones, and timelines for evaluating applications for interconnection. The process for obtaining an interconnection process prior to Order No. 2006 was not part of any Commission information collection because it was not FERC sponsored. Order No. 2006 removed much of the complexity and time burden entities were experiencing using the existing industry process. The net result was that Order No. 2006 adopted a collection that was already occurring in industry and made it uniform. The only ongoing pieces of the 516A policies and requirements that were not part of the industry interconnection process before Order No. 2006 were maintenance of related tariff documents and the filing non-conforming interconnection agreements.

The changes to the 516A made in November 2013 through Order No. 792 and the burden relate to (1) one-time compliance filings by transmission providers to update their tariffs with the Order No. 792 policies and procedures; (2) the pre-application report that generators may request and transmission providers must prepare upon receiving a request prior to the interconnection request process; (3) the supplemental review by transmission providers of an interconnection request following the failure of the Fast Track screens and (4) the review of required upgrades needed to achieve interconnection.

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¹² Standardization of Small Generation Interconnection Agreements and Procedures, Order No. 2006, 70 FR 34189 (May 12, 2005), FERC Stats. & Regs. ¶31,180 (2005).

Requirements¹³	Number of Respondents Annually (1)	Annual Number of Responses Per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response¹⁴ (4)	Total Annual Burden Hours & Total Annual Cost (3)x(4)=(5)	Cost per Respondent (\$) (5)÷(1)
Maintenance of Documents - Transmission Providers	238	1	238	1 \$70 ¹⁵	238 \$16,660	\$70
Filing of Agreements - Transmission Providers	40	1	40	25 \$1,750 ¹⁶	1,000 \$70,000	\$1,750
Conforming SGIP and SGIA changes to incorporate proposed revisions – Transmission Providers	142	1	142	7 \$525	994 \$74,550	\$525
Pre-Application Report - Interconnection Customers ¹⁷	800	1	800	1 \$75	800 \$60,000	\$75
Pre-Application Report - Transmission Providers	142	5.63	800	2.5 \$187.50	2,000 \$150,000	\$1,056.34

13 The transmission provider requirements are mandatory for FERC jurisdictional facilities and voluntary for

14 Unless noted otherwise, the estimates for cost per response are derived using the following formula: Average Burden Hours per Response * \$75 per Hour = Average Cost per Response. This figure is the average of the salary plus benefits for an attorney, consultant (engineer), engineer, and administrative staff. The wages are derived from the Bureau of Labor and Statistics at http://bls.gov/oes/current/naics3_221000.htm and the benefits figure from <http://www.bls.gov/news.release/ecec.nr0.htm>. These figures were current when the Commission was drafting the proposed rule.

15 Based on 2013 average wage plus benefits per FERC employee. FERC assumes that industry respondents for this collection receive similar wage/benefits as FERC employees. Note, this is based on 2013 wages due to the timing of the last submittal to OMB.

16 Based on 2013 average wage plus benefits per FERC employee. FERC assumes that industry respondents for this collection receive similar wage/benefits as FERC employees. Note, this is based on 2013 wages due to the timing of the last submittal to OMB.

17 We assume each request for a pre-application report corresponds with one interconnection customer.

Supplemental Review - Interconnection Customers	500	1	500	0.5 \$37.50	250 \$18,750	\$37.50
Supplemental Review - Transmission Providers	142	3.52	500	20 \$1,500	10,000 \$750,000	\$5,281.69
Review of Required Upgrades - Interconnection Customers	250	1	250	1 \$75	250 \$18,750	\$75
Review of Required Upgrades - Transmission Providers	142	1.76	250	2 \$150	500 \$37,500	\$264.08
Totals			3,520		16,032 \$1,196,210	

Voluntary and Mandatory Requirements: For OMB’s online submittal system (ROCIS), the currently approved burden is split into five information collections:

1. Mandatory maintenance of documents and filing of agreements.
2. Mandatory burden for all transmission providers for the pre-application report, supplemental review, and review of required upgrades.
3. Voluntary burden for interconnection customers for the pre-application report, supplemental review, and review of required upgrades.
4. Mandatory conforming changes to SGIP and SGIA for transmission providers.
5. Voluntary conforming changes to SGIP and SGIA for transmission providers that do not fall under FERC’s jurisdiction.

13. ESTIMATE OF TOTAL ANNUAL COST OF BURDEN TO RESPONDENTS

There are no annual costs to respondents other than those associated with wages for the burden hours listed in questions 12 and 15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	Number of Employees	Estimated Annual Federal
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	(FTEs)	Cost
Analysis and Processing of filings ¹⁸	1	\$146,591
PRA ¹⁹ Administrative Cost ²⁰		\$5,092
FERC Total		\$151,683

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

The following table shows the actual estimate burden for this collection:

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Requirements ²¹	Number of Respondents Annually (1)	Annual Number of Responses Per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response ²² (4)	Total Annual Burden Hours & Total Annual Cost (3)x(4)=(5)	Cost per Respondent (\$) (5)÷(1)
Maintenance of Documents - Transmission Providers	46	1	46	\$72.73	\$3,345.58	\$72.73
Filing of Agreements - Transmission Providers	95	1	95	\$1,818.25	\$172,733.75	\$1,818.25
Pre-Application Report - Interconnection Customers ²³	800	1	800	\$72.73	\$58,184	\$72.73

18 Based upon 2014 FTE average salary (\$146,591)

19 Paperwork Reduction Act of 1995 (PRA).

20 The Commission bases the PRA Administrative Cost on staff time, and other costs related to compliance with the PRA.

21 All of the requirements for transmission providers are mandatory. All of the requirements for interconnection customers are voluntary.

22 The estimates for cost per response are derived using the following formula: Average Burden Hours per Response * \$72.73 per Hour = Average Cost per Response. This figure is the average of the salary plus benefits for an attorney, consultant (engineer), engineer, and administrative staff. The wages are derived from the Bureau of Labor and Statistics at http://bls.gov/oes/current/naics3_221000.htm and the benefits figure from <http://www.bls.gov/news.release/ecec.nr0.htm>.

23 We assume each request for a pre-application report corresponds with one interconnection customer.

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Pre-Application Report - Transmission Providers	142	5.63	800	2.5 \$181.83	2,000 \$145,460	\$1,024.37
Supplemental Review - Interconnection Customers	500	1	500	0.5 \$36.37	250 \$18,182.50	\$36.37
Supplemental Review - Transmission Providers	142	3.52	500	20 \$1,454.60	10,000 \$727,300	\$5,121.83
Review of Required Upgrades - Interconnection Customers	250	1	250	1 \$72.73	250 \$18,182.50	\$72.73
Review of Required Upgrades - Transmission Providers	142	1.76	250	2 \$145.46	500 \$36,365	\$256.09
Totals			3,241		16,221 \$1,179,753.33	

The following table provides a summary view of the burden changes for this control number:

FERC-516A	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	3,241	3,520	-137	-142
Annual Time Burden (Hr)	16,221	16,028	1,187	-994
Annual Cost Burden (\$)	0	0	-	-

The adjustment change is due to updating the number of respondents for the “maintenance of documents” and “filing of agreements” to reflect the number of filings FERC received in 2013. There were fewer filings in 2013 overall but more “filing of agreements,” which is more burdensome per response than maintaining documents. There is also a minimal

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adjustment (4 total hours) because of differences in rounding from the last approved submittal in this collection.

The change due to agency discretion is because we are removing the one-time burden that was part of Order No. 792. The one-time burden will end by August 4, 2014, the due date for compliance filings needed to implement Order No. 792 changes to the 516A.

16. TIME SCHEDULE FOR INFORMATION COLLECTION AND PUBLICATION

The Commission does not publish any results from this collection.

17. DISPLAY OF EXPIRATION DATE

The expiration date is displayed in a table posted on ferc.gov at <http://www.ferc.gov/docs-filing/info-collections.asp>.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

The information collected for this reporting requirement is not used for statistical purposes. Therefore, the Commission does not employ an effective and efficient statistical survey methodology as is noted on the certification statement.