

Supporting Statement for
FERC-921, Ongoing Electronic Delivery of Data from Regional Transmission Organizations (RTO) and Independent System Operators (ISO)

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve the information collection requirements in the **FERC-921, Ongoing Electronic Delivery of Data from Regional Transmission Organizations (RTO) and Independent System Operators (ISO)** for a three year period. FERC-921 (OMB Control No. 1902-0257) is an existing Commission data collection (filing requirements), as stated by 18 Code of Federal Regulations (CFR), Section 35.28(g) (4).

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

FERC is statutorily obligated to ensure that sales of electricity in wholesale markets are made at just and reasonable rates¹ and to address market manipulation in connection with the purchase or sale of electricity subject to the Commission's jurisdiction.² Toward that end, section 301(b) of the FPA provides that the Commission shall at all times have access to and the right to inspect and examine all accounts and records of public utilities.³ In this information collection, and pursuant to its authority under section 301(b), the Commission requires ongoing electronic delivery of data including accounts and records of the RTOs/ISOs, which are public utilities.

Moreover, the Commission also has authority pursuant to section 307(a) of the FPA to investigate any facts, conditions, practices, or matters it may deem necessary or proper to determine whether any person, electric utility, transmitting utility, or other entity may have violated or might violate the FPA or the Commission's regulations, or to aid in the enforcement of the FPA or the Commission regulations, or to obtain information about wholesale power sales or the transmission of power in interstate commerce.⁴

Markets continue to evolve with increasing sophistication; the Commission's market monitoring and surveillance capabilities and associated data requirements must keep pace with market developments and evolve along with the markets. Entities that intend to manipulate or otherwise harm the markets adapt as they learn of the success of the

¹ See 16 U.S.C. 824d, 824e [attached in ROCIS under Supplementary Documents].

² See 16 U.S.C. 824v [attached in ROCIS under Supplementary Documents].

³ 16 U.S.C. 825(b).

⁴ 16 U.S.C. 825f(a).

Commission's surveillance activities. Further, the Commission's evaluation of market rules, regulations, and policies has been informed by the data submitted in response 18 CFR 35.28(g)(4) promulgated in Order No. 760. Electronic delivery of these types of data has brought the Commission's access to RTO/ISO data in sync with the activity in those markets, helping to ensure that rates are just and reasonable.

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

The data has been used by FERC staff for several different purposes including the surveillance of electricity markets and for assessing and analyzing FERC policies and regulations.

Market Monitoring and Surveillance - To enhance FERC's market monitoring and surveillance efforts, FERC has been requiring ongoing, electronic delivery of data from each RTO and ISO. The data has helped FERC detect anti-competitive or manipulative behavior, and ineffective market rules, and thus help ensure just and reasonable rates.

FERC is using the data extensively for automated screens and other analyses designed to detect attempts to manipulate RTO/ISO pricing and to detect abuses involving interchange transactions. Staff runs monthly screens that identify patterns at the hourly level by monitoring the interactions between physical and virtual bidding strategies and potentially benefiting payouts. In particular, these screens identify financial transmission rights and swap-futures that exist at nodes and constraints where market participants also trade virtuals, generate electricity, or move power between RTO/ISOs. Staff developed and deployed analytic tools and screens for: (1) determining uneconomic virtual transactions by node, zone, and constraint; (2) detecting day ahead market congestion manipulation that would benefit financial transmission rights and swap-futures positions; (3) identifying anomalies in physical offer patterns; and (4) identifying abnormal out-of-market payments.

FERC Policies and Regulations - In overseeing wholesale electricity markets, the Commission evaluates, in response to submittals or on its own motion, existing market designs and the effectiveness of market rules. The Commission has used RTO/ISO market data to more effectively carry out these functions. Further, this data enables the Commission to better identify ineffective market rules and better inform Commission policies and decision-making, and thus help prevent anti-competitive behavior and ensure just and reasonable rates.

For example, the Commission has used this data to analyze the interaction of a range of market operations, business practices and unit decisions on wholesale electricity prices. Additionally, the data has been used to better understand market activity, particularly markets which have changed following other FERC orders.

Consequence of not collecting the information - The information FERC is to collect within this collection is essential in carrying out the two functions described above.

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

In defining the data collection, FERC allowed each RTO and ISO to deliver its data in a form consistent with its own systems. This has eliminated the need for the submitters to adjust or translate their data to standardize it for submission. The data is encrypted and transferred using the Secure File Transfer Protocol (SFTP) with FERC providing encryption certificates to the RTO and ISOs at their request.

The data from this collection has substantially reduced the frequency of ad hoc data requests of the RTO and ISOs under FERC's authority. Each ad hoc data request required substantial effort by the RTO staff to produce bespoke responses. This collection, therefore, enables the routine mechanical delivery of RTO and ISO data, significantly lessening RTO and ISO burden while ensuring that FERC gets the data it needs to review, analyze and monitor its jurisdictional markets.

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.

As noted above, this collection has obviated the need for most ad hoc data requests from FERC to RTOs and ISOs. Every effort is made to identify data within the collection that will satisfy the Commission's data needs before issuing a request. By requiring an automated data delivery process, we minimize burden on the RTOs and ISOs and increase the effectiveness and efficiency of FERC's analysis and oversight. Without routine data delivery RTO or ISO staff must create bespoke queries to comply with every data request. A routine, automated delivery process requires the one-time development of processes that are maintained over time, likely limiting burden on the RTOs and ISOs.

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

The Commission requires the same information from each affected entity in the FERC-921 information collection. No special measures are taken to minimize burden for any of the six RTOs/ISOs.

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

The ongoing electronic delivery of data relating to physical and virtual offers and bids, market awards, resource outputs, marginal cost estimates, shift factors, financial transmission rights, internal bilateral contracts, uplift, and interchange pricing is the foundation of FERC's efforts to detect anti-competitive or manipulative behavior, or ineffective market rules on a timely basis, as the threats are occurring. Before instituting routine surveillance using these data, FERC was largely dependent on the efforts of outside sources to detect anticompetitive or manipulative behavior.

Less frequent delivery may also present technology challenges. If the data were delivered less frequently, the size of each data transfer would be considerably larger. Larger data transfers would require longer transfer, management and back-up times, potentially disrupting other data procedures managed by FERC or RTOs and ISOs.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances relating to FERC-921. This collection meets OMB's section 1320.5 requirements.

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

In accordance with OMB requirements⁵, the Commission published a 60-day notice and a 30-day notice⁶ to the public regarding this information collection on 1/16/2015 and 4/10/2015 respectively. Within the 60-day public notice, the Commission solicited comments and noted that it would be requesting a three-year extension of the public reporting burden with no change to the existing requirements concerning the collection of data. No comments were received.

⁵ 80 FR 2405

⁶ 80 FR 19305

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

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

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

Much of the data FERC has received and expects to receive per the requirements of FERC-921 are, by their nature, commercially-sensitive. Disclosure of such information could result in competitive harm to market participants and the market as a whole. Accordingly, FERC keeps these data non-public. Access to the data is limited to those within the Commission who require the data to do their jobs effectively. Staff that uses the data for surveillance and investigatory analysis are also required to take security training in addition to the Commission's standard training and sign an acknowledgement of their understanding of that training.

In addition, FERC provides confidentiality to the RTOs and ISOs by only publishing aggregate results in reports derived from FERC-921 data, reviewing the analysis to confirm that no published results can be used to infer the identity of specific market participants, and only allowing access to the data to staff who understand the importance of maintaining the confidentiality of the data.

Moreover, we note that entities may file requests to obtain data from FERC, although none has. FOIA exemption 4⁷, however, protects 'trade secrets and commercial or financial information from a person [that is] privileged or confidential. Although the Commission cannot foreclose requests of information related to ongoing electronic submissions of non-public data, we expect that all such data found to satisfy the requirements of exemption 4 would be protected from disclosure.

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.

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

⁷ http://www.justice.gov/sites/default/files/oip/legacy/2014/07/23/exemption4_0.pdf

9. ESTIMATED BURDEN ON COLLECTION OF INFORMATION

The Commission’s estimated reporting burden related to FERC-921 information collection is as follows:

FERC-921 (Ongoing Electronic Delivery of Data from Regional Transmission Organizations and Independent System Operators)					
Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response⁸ (4)	Total Annual Recurring Operating Burden Hours & Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
6	1	6	98 \$9,830	588 \$58,980	\$9,830

10. ESTIMATE OF THE TOTAL COST BURDEN TO RESPONDENTS

There are no non-labor costs currently associated with the FERC-921 information collection.

All of the costs in this collection are associated with burden hours (labor) and described in either Question #12 or Question #15.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

The estimated annualized cost to the Federal Government for FERC-921 as related to the information collection requirements are as follows:

Number of Employees (FTE)	Estimated Annual Federal
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⁸ The estimates for cost per response are derived using the following formula:
 Average Burden Hours per Response * \$100.30 per Hour = Average Cost per Response.
 Commission staff used their own IT staff salaries to formulate the hourly wage estimate of \$100.30/hour. The hourly wage estimate is based on Commission analysis of duties performed in response to the FERC-921 information collection and their knowledge that people in similar positions perform similar duties in the public sector.

		Cost
FERC-921 Analysis and Processing of filings	12.5	\$1,868,613
PRA ⁹ Administrative Cost ¹⁰		\$5,193
FERC Total		\$1,873,806

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 made in response to the information collection.

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

In the three years of this program, FERC has found through working with the RTOs and ISOs that the ongoing effort associated with submitting these data is less than expected when the FERC issued its order. The recurring effort involved in electronically delivering RTO/ISO data to the Commission includes:

- Daily delivery of data from each RTO and ISO within seven days after each RTO and ISO creates the dataset: This delivery includes data created daily as well as data created more and less frequently but included in the daily package when available. The actual delivery of the data imposes little burden on the submitters. Each RTO and ISO has developed automated processes to generate each day's submission.
- Notification to FERC of impending changes to datasets 90 days in advance and updating delivery package design, documentation and test data to implement those changes: Much of the ongoing effort associated with this collection is associated with the occasional updating of the data packages. The RTOs and ISOs are required to communicate with FERC when their data is changing so that FERC can adapt its databases accordingly. This requires communicating how the data

⁹ Paperwork Reduction Act of 1995 (PRA)

¹⁰ The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the PRA for rulemakings, orders, or any other vehicle used to create, modify, extend, or discontinue an information collection. This average annual cost includes requests for extensions, all associated rulemaking, and other changes to the collection.

will be structured in their own systems and providing test data for FERC to develop around. Because the programming associated with the package being delivered to FERC is integrated into the RTO and ISO's efforts to update their own systems to accommodate changing data, effort associated with the FERC submission is marginal and difficult to isolate.

- Addressing questions and issues arising out of the data and troubleshooting delivery issues: This collection contains six databases with over 800 tables. The RTOs and ISOs have provided critical help regarding the interpretation of the documentation
- Ongoing maintenance of security certificates: Once a year, FERC issues security certificates to each RTO and ISO to ensure the integrity of its data encryption.

The currently approved Public Reporting Burden was estimated prior to the issuance of Order No. 760 which initiated FERC-921 reporting. The initial estimate included a total implementation burden of 6,282 hours (7 hours for compliance filings and 1,040 hours for ongoing electronic data delivery implementation burden for each of the six respondents) or 1,047 hours per respondent to develop the initial programming and delivery systems necessary to comply and an annual burden of 40 hours per respondent to ensure the reliable generation and transfer of each respondent's daily submission.

The recurring annual burden, however, is estimated to be somewhat larger than in the initial request; 98 hours instead of 40 hours per respondent for a difference of 58 hours per annum a total increase of 348 hours for the three-year estimate. Since submissions began under FERC-921, it has become clear that the respondents change the structure of their data more frequently, approximately twice per year, than originally expected. As a result, while the effort associated with day-to-day submissions is significantly less than expected in the pre-FERC-921 estimates, the effort associated with (roughly) semi-annual changes in the structure of the submission means the expected annual burden is somewhat greater.

The net change to annual burden is the elimination of the initial implementation burden (1,040 hours) which has been completed and an improved estimate of the ongoing burden which is 98 hours instead of 40 hours, or an addition of 58 hours per year. The following table illustrates how adjustment to information collection affects the currently approved inventory for FERC-921. The format, labels, and definitions of the table follow the ROCIS system "ICR Summary of Burden" for the metadata. As such 2,334 hours (for the previous total annual time burden) – 2,094 annual implementation burden hours (2,080 hours annual implementation burden for compliance filings + 14 hours annual implementation burden for web-based delivery) = 240 hours ÷ 6 = 40 hours/response

(previous paradigm).

Regarding the implementation burden amounts, the 2,080 hours is derived from the following: 6 respondents * 1,040 hours/respondent = 6,240 hours; 6,240 hours ÷ 3 (averaged over three years) = 2,080 hours. The 14 hours is derived from 6 respondents * hours/respondent = 42 hours; 42 hours ÷ 3 (averaged over three years) = 14 hours. If we sum the two aforementioned totals (2,080 + 14), we get the total implementation burden (averaged over three years) of 2,094 hours.

Then, 6 respondents * 98 hours/response (proposed paradigm) = 588 hours (the currently proposed total annual burden). The decrease in burden of 1,746 hours is the result of 1) removing the implementation burden for compliance filing and web-based delivery (2,094 hours), 2) the change of recurring hourly burden from 40 hour/response to 98 hours/response (adding 348 hours).

FERC-921	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	6	6	0	0
Annual Time Burden (Hr)	588	2,334	-1,746	0
Annual Cost Burden (\$)	\$0	\$0	\$0	0

16. TIME SCHEDULE FOR THE PUBLICATION OF DATA

The data are being collected for regulatory purposes and not for the purposes of publication.

17. DISPLAY OF EXPIRATION DATE

The information is not collected on a standard, preprinted form which would allow the display of the expiration date for OMB approval of the information collected.

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

18. EXCEPTION TO THE CERTIFICATION STATEMENT

The data collected for this reporting requirement is not used for statistical purposes. Therefore, the Commission does not use effective and efficient statistical survey methodology as stated in Item (i) of the certification to OMB.

Attachment A

This is a list of the RTOs/ISOs affected by the FERC-921 information collection and general descriptions of each:

- CAISO is a nonprofit organization with over 54,000 megawatts of capacity and over 25,000 circuit miles of transmission lines.
- NYISO is a nonprofit organization that oversees wholesale electricity markets serving 19.2 million customers. NYISO manages a nearly 11,000-mile network of high-voltage transmission lines.
- PJM is comprised of more than 700 members including power generators, transmission owners, electricity distributors, power marketers, and large industrial customers and serves 13 states and the District of Columbia.
- SPP is comprised of 63 members serving 6.2 million households in nine states and has 48,930 miles of transmission lines.
- Midwest ISO is a nonprofit organization with over 145,000 megawatts of installed generation. Midwest ISO has over 57,600 miles of transmission lines and serves 13 states and one Canadian province.
- ISO-NE is a regional transmission organization serving six states in New England. The system is comprised of more than 8,000 miles of high-voltage transmission lines and over 300 generators.