

Supporting Statement for
FERC-714, Annual Electric Balancing Authority Area and Planning Area Report

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve FERC-714, Annual Electric Balancing Authority Area and Planning Area Report, for a three-year period. FERC-714 (OMB Control No. 1902-0140) is an existing Commission data collection as described in 18 Code of Federal Regulations (CFR) 141.51. There are no changes to the reporting requirements.

A. Justification

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

The Federal Power Act authorizes the Commission to collect information from electric utility balancing authorities and planning areas in the United States. The Commission implements the data collection requirements in 18 CFR 141.51.

The Commission uses the collected data to analyze power system operations along with its regulatory functions. These analyses estimate the effect of changes in power system operations resulting from the installation of a new generating unit or plant, transmission facilities, energy transfers between systems, and/or new points of interconnections. Also, these analyses serve to correlate rates and charges, assess reliability and other operating attributes in regulatory proceedings, monitor market trends and behaviors, and determine the competitive impacts of proposed mergers, acquisitions, and dispositions.

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

The Commission uses the FERC-714 data to analyze power system operations. The result of these analyses estimate the effect of changes in power system operations resulting from the installation of a new generating unit or plant, transmission facilities, energy transfers between systems, and/or new points of interconnections. The FERC-714 data assists in providing a broad picture of interconnected balancing authority area operations including comprehensive information of balancing authority area generation, actual and scheduled inter-balancing authority area power transfers, and net energy for load, summer and winter generation peaks and system lambda. The Commission also uses the data to prepare status reports on the electric utility industry including a review of inter-balancing authority area bulk power trade information.

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The Commission uses the collected data from planning areas to monitor forecasted demands by electric utilities with fundamental demand responsibilities and to develop hourly demand characteristics.

The consequence of not collecting the information contained within the FERC-714 would be impeded support for the Commission's regulatory functions associated with the processing of rate applications and cases, proposed mergers and dispositions of jurisdictional facilities, and understanding of the planning and operational needs of the grid. The Commission, other federal and state regulatory agencies, transmission users, and the public may lose a capability of monitoring the operations of the wholesale electric market for possible abuses of market power and the environment, and the efforts of electric utility entities in ensuring that resource capabilities could sufficiently and reliably meet system peak and forecast loads. Additionally, the Commission would fail to meet its statutory mandates.

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

Submission of the FERC-714 occurs annually and electronically through the FERC-714 Submission Software. For any necessary resubmissions, the FERC-714 Submission Software should be used to resubmit the filing.

For information regarding the FERC-714 Submission Software, go to <http://www.ferc.gov/docs-filing/forms/form-714/elec-subm-soft.asp>. For additional guidance on the FERC-714, go to <http://www.ferc.gov/docs-filing/forms.asp#714>.

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 U.S. Energy Information Administration (EIA) implemented a survey of hourly electric power data from all balancing authorities in the contiguous United States. This survey, Form EIA-930: Hourly and Daily Balancing Authority Operations Report, requires the filing of hourly balancing authority operating data to EIA. The data will be posted onto a publicly available Internet website and will be used to monitor the near-real time status and trends of the electric power industry and to support the enhancement of electric system operations.

However, the EIA Internet website is currently in the beta phase, and therefore, no similar information can be used or modified. There are no other Federal agencies responsible for

obtaining planning area data that consists of forecasted demands and hourly demand characteristics from electric utility entities with fundamental demand responsibilities.

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

The Commission requires each balancing authority area and each electric utility with its planning area annual peak demand greater than 200 megawatts (MW) to provide the FERC-714 filing as a means of reducing burden for small entities. This 200 MW threshold can result in a slight variation year to year in the number of balancing authorities and planning areas that are required to file the FERC-714. Small entities may have personnel constraints, and a significant increase in burden may be caused by requiring these entities to submit the FERC-714 filing, so setting a 200 MW threshold will exempt many of these small entities from having to respond to this collection.

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

The information collected is used on a continual basis by:

- the Commission staff to review rates and charges, reliability issues and market structure relationships;
- the U.S. Environmental Protection Agency to monitor the environmental impacts of electric generation as the power industry has become more competitive;
- the U.S. Energy Information Administration to model various electricity markets; and
- other federal and state regulatory authorities, market participants and the public to access and monitor the wholesale electric market and to determine the competitive impacts of proposed mergers and acquisitions.

Some of the information in particular filings may change markedly from one year to the next. If the information were collected less frequently, the Commission would be unable to perform its mandated review and oversight in a timely and accurate manner.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances.

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

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In accordance with OMB requirements, the Commission published a 60-day notice¹ in Docket No. IC16-5 requesting public comment. No comments were submitted.

The 30-day notice² is also being published in the Federal Register.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to FERC-714 respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not consider the information collected in FERC-714 filings to be confidential because it does not meet the Critical Energy Infrastructure Information (CEII) definition. CEII is defined as specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that: (1) relates details about the production, generation, transmission, or distribution of energy; (2) could be useful to a person planning an attack on critical infrastructure; (3) is exempt from mandatory disclosure under the Freedom of Information Act; and (4) gives strategic information beyond the location of the critical infrastructure.

The instructions to the form state that:

“Sanctions and Confidentiality Statements

This report is mandatory under the Federal Power Act. Late filing or failure to file, keep records, or comply with these instructions may result in criminal fines, civil penalties, and other sanctions as provided by law. Data reported on the Form 714 are not confidential.”

However, the filer may request privileged treatment of a filing that may contain information harmful to the competitive posture of the applicant if released to the general public.³

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 in the reporting requirements.

¹ 80 FR 80355, 12/24/2015. The 60-day Notice is also posted at <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14073756>.

² The 30-day Notice was issued 3/21/2016 and is posted in FERC’s eLibrary at <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14175211>.

³ 18 CFR 388.112

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The Commission estimates the annual public reporting burden and cost⁴ (rounded) for the information collection as follows:

Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden (Hrs.) & Cost (\$) Per Response ⁶ (4)	Total Annual Burden (Hrs.) & Total Annual Cost (\$) (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)
176	1	176	87 hrs.; \$5,973	15,312 hrs.; \$1,051,322	\$5,973

The total estimated annual cost for all respondents is \$1,051,322. The cost per respondent is \$5,973. There are no start-up costs because FERC-714 is an existing information collection.

The respondent burden includes the total time, effort, and financial resources respondents spend to assemble and file the information. The cost estimate is based on salaries (plus benefits) for professional and support staff.

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

Total Capital and Start-up cost: \$0

Total Operation, Maintenance, and Purchase of Services: \$0

All costs are related to labor (burden hours) and are described in Questions 12 and 15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	Number of Hours	Estimated Annual Federal Cost
Analysis and Processing of filings ⁵	400 hours	\$28,800

⁴ The hourly cost (wages plus benefits), is based on the Bureau of Labor Statistics May 2014 National Industry-Specific Occupational Employment and Wage Estimates (at http://www.bls.gov/oes/current/naics2_22.htm). The average hourly cost (wages plus benefits) of \$68.66/hour is the average of the following:

- Management (Code 11-0000), \$78.04/hr.
- Computer and mathematical (Code 15-0000), \$58.25/hr.
- Electrical Engineers (Code 17-2071), \$66.45/hr.
- Economist (Code 19-3011), \$73.04/hr.
- Computer and Information Systems Managers (Code 11-3021), \$94.55/hr.
- Accountants and Auditors (Code 13-2011), \$51.11/hr.
- Transportation, Storage, and Distribution Managers (Code 11-3071), \$73.65/hr.
- Power Distributors and Dispatchers (Code 51-8012), \$54.16/hr.

⁵ The federal cost of analysis and processing of filings is based upon FERC's 2015 FTE (full time equivalent)

PRA ⁶ Administrative Cost ⁷		\$5,193
FERC Total		\$33,993

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

The requirements in FERC-714 did not change. The Commission determined the annual number of responses by referencing the NERC Compliance Registry list. The registered entities that possessed either a balancing authority or planning area function were aggregated to determine the total number of responses. The Commission calculated the total number of responses to be 176 (a decrease of forty-three respondents from 219, the previously approved number of responses). The reason for this decrease is mostly due to changes in the reliability functions of certain registered entities.

Several balancing authorities within a reliability footprint have been combined into one entity that now operates as a single Consolidated Balancing Authority (CBA). The shift to a CBA function significantly contributed to the cause of the decrease in the number of total responses to the FERC-714.

The table below illustrates the aggregate burden (and any corresponding changes).

FERC-714	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	176	219	-43	0
Annual Time Burden (Hr.)	15,312	19,053	-3,741	0
Annual Cost Burden (\$)	0	0	0	0

average salary plus benefits of \$149,489 (or \$72 per hour).

The 400 federal hours includes 100 hours for analysis and processing of the filings, and 300 hours for IT work on the submittal software (including maintenance and troubleshooting).

6 Paperwork Reduction Act of 1995 (PRA)

7 The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the Paperwork Reduction Act (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 rulemakings, and other changes to the collection.

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The format, label, and definitions of the table above follow the ROCIS (reginfo.gov) “ICR Summary of Burden” for the meta-data.

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no publication plans. The Commission uses the data for regulatory purposes only.

17. DISPLAY OF EXPIRATION DATE

The Commission collects the FERC-714 data within the Form 714 Submission software (<http://www.ferc.gov/docs-filing/forms/form-714/elec-subm-soft.asp>) which includes the expiration date for OMB approval. The clearance information and expiration dates are also available at <http://www.ferc.gov/docs-filing/info-collections.asp>.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.