

Supporting Statement for
FERC-516 (Electric Rate Schedules and Tariff Filings)
As modified by the Notice of Proposed Rulemaking in Docket Nos. RM16-23-000 and AD16-20-000

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve the changes made in the Notice of Proposed Rulemaking (NOPR) in Docket Nos. RM16-23-000 and AD16-20-000.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

The Commission issues this NOPR in Docket Nos. RM16-23-000 and AD16-20-000 to provide guidance regarding its proposal to amend its regulations under the Federal Power Act (FPA) to remove barriers to the participation of electric storage resources and distributed energy resource aggregations in the capacity, energy, and ancillary service markets operated by regional transmission organizations (RTOs) and independent system operators (ISOs) (organized wholesale electric markets). Specifically, the Commission proposes in the NOPR to require each RTO and ISO to revise its tariff to (1) establish a participation model consisting of market rules that, recognizing the physical and operational characteristics of electric storage resources, accommodates their participation in the organized wholesale electric markets and (2) define distributed energy resource aggregators as a type of market participant that can participate in the organized wholesale electric markets under the participation model that best accommodates the physical and operational characteristics of its distributed energy resource aggregation. Accordingly, the proposed rule would require the RTOs and ISOs to change their tariffs to conform to the proposed rule in Year One.

FERC-516. The Federal Power Act Section 205¹ requires the Federal Energy Regulatory Commission to ensure that the rates and charges for the wholesale sale of electric energy are just and reasonable. Section 205 also requires that the rules and regulations affecting or pertaining to the rates and charges for the wholesale sale of electric energy be just and reasonable.

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

FERC-516. The possible information collected in the FERC-516, pursuant to the NOPR, allows the Commission to ensure that the commitments accepted in prior applications are adhered to and continue to be consistent with the public interest and be found to be just and reasonable.

In general, the requirements in this information collection (electric rate schedule filings) are the minimum necessary to comply with the statutes. If this information was not collected or retained, there would be no data available to determine whether violations of the laws had occurred.

¹ 16 U.S.C. 824d(a)

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

FERC implemented its eTariff system (fully implemented in 2010) for the electronic filing of tariffs.

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.

FERC rules and data requirements are periodically reviewed in conjunction with OMB clearance expiration dates. This includes a review of FERC's regulations and data requirements to identify duplication. The information to be submitted, generated, retained, or posted, pursuant to this NOPR is not readily available from other sources.

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

The Commission does consider waivers for small entities, which serves as an option for small entities to reduce their burden. The Commission grants these waivers on a case-by-case basis.

Small entities will typically not be affected by the NOPR. Small entities are generally not in the position of an RTO or ISO, and therefore subject to revising their tariffs to (1) establish a participation model consisting of market rules that, recognizing the physical and operational characteristics of electric storage resources, accommodates their participation in the organized wholesale electric markets and (2) define distributed energy resource aggregators as a type of market participant that can participate in the organized wholesale electric markets under the participation model that best accommodates the physical and operational characteristics of its distributed energy resource aggregation, which is the subject of the NOPR

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

FERC requires this information in order to perform its mandated oversight and review responsibilities with respect to electric market-based rates being just and reasonable. Without this information, the Commission would be unable to meet its statutory responsibility under Section 205 of the FPA to ensure electric utility rates and tariffs are just and reasonable. Failing to meet this responsibility could result in public utilities charging rates that are not just and reasonable.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION

There are no special circumstances relating to this information collection.

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

The NOPR proposing revisions to FERC-516 gives the public the opportunity to review FERC’s proposals and to comment on them. It was published in the Federal Register on 11/30/2016 (81 FR 86522).

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents of this collection.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not consider the information collected in FERC-516 filings to be confidential.

Generally, the Commission does not consider this information to be confidential. If an entity chooses to seek confidential treatment of the information, they must submit a request for the Commission to treat this information as confidential and non-public, consistent with 18 CFR 388.112.

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 associated with the reporting requirements.

12. ESTIMATED BURDEN COLLECTION OF INFORMATION

Revisions in the NOPR in Docket Nos. RM16-23 and AD16-20					
Requirements	Number and Type of Respondents (1)	Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden Hours & Cost Per Response (4)	Total Burden Hours & Total Cost (3)*(4)
FERC-516 (FPA Section 205, Rate and Tariff Filings)	6 ²	1	6	1,040 hrs.; \$76,960 ³	6,240 hrs.; \$461,760

² 2 Respondent entities are either RTOs or ISOs.

³ The estimated hourly cost (salary plus benefits) provided in this section is based on the salary figures for May 2015 posted by the Bureau of Labor Statistics for the Utilities sector (http://www.bls.gov/oes/current/naics2_22.htm#13-0000) and scaled to reflect benefits using the relative importance

TOTAL		6,240 hrs.; \$461,760
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13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no non-labor start-up costs. All costs are related to burden hours and are addressed in Questions #12 and #15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of Filings ⁴	2.5	\$386,618
PRA ⁵ Administrative Cost ⁶		\$5,481
FERC Total		\$392,099

The proposed additional \$392,099 will be added to the previous fed. cost of \$2,856,934, giving a new total of \$3,249,033.

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

of employer costs in employee compensation from June 2016 (<http://www.bls.gov/news.release/ecec.nr0.htm>). The hourly estimates for salary plus benefits are:

- Legal (code 23-0000), \$128.94
- Computer and mathematical (code 15-0000), \$60.54
- Information systems manager (code 11-3021), \$91.63
- IT security analyst (code 15-1122), \$63.55
- Auditing and accounting (code 13-2011), \$53.78
- Information and record clerk (code 43-4199), \$37.69
- Electrical Engineer (code 17-2071), \$64.20
- Economist (code 19-3011), \$74.43
- Management (code 11-0000), \$88.94

The average hourly cost (salary plus benefits), weighting all of these skill sets evenly, is \$73.74. The Commission rounds it to \$74 per hour.

⁴ Based upon 2016 FTE average annual salary plus benefits (\$154,647).

⁵ Paperwork Reduction Act of 1995 (PRA).

⁶ 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.

RTOs and ISOs will now be required to prepare a tariff revisions to (1) establish a participation model consisting of market rules that, recognizing the physical and operational characteristics of electric storage resources, accommodates their participation in the organized wholesale electric markets and (2) define distributed energy resource aggregators as a type of market participant that can participate in the organized wholesale electric markets under the participation model that best accommodates the physical and operational characteristics of its distributed energy resource aggregation. The Commission proposes to implement this rule to eliminate barriers to electric storage resource participation in the organized wholesale electric markets and allow for participation of aggregated distributed energy resources in the organized wholesale electric markets. Our experience in receiving filings leads us to estimate FERC-516 tariff revisions in Year One.

The following table shows the annual total burden of the collection of information. The format, labels, and definitions of the table follow the ROCIS submission system’s “Information Collection Request Summary of Burden” for the metadata.

FERC-516	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	5,813	5,807	0	6
Annual Time Burden (Hours)	506,147	499,907	0	6,240
Annual Cost Burden (\$)	\$0	\$0	\$0	\$0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no tabulating, statistical or tabulating analysis or publication plans for the collection of information. The data are used for regulatory purposes only.

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

There are no exceptions.