

Supporting Statement for  
**FERC-516B. Electric Rates Schedules and Tariff Filings,  
modifications in the NOPR in RM16-6-000**

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review the revisions to FERC-516B as proposed in the Notice of Proposed Rulemaking (NOPR) in Docket No. RM16-6.

**1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF  
INFORMATION NECESSARY**

In Order Nos. 2003<sup>1</sup> and 2006,<sup>2</sup> the Commission adopted standard procedures for the interconnection of large and small generating facilities, including the development of standardized *pro forma* generator interconnection agreements and procedures. The Commission required public utility transmission providers<sup>3</sup> to file revised Open Access Transmission Tariff (OATT) containing these standardized provisions, and use the Large Generator Interconnection Agreement (LGIA) and Small Generator Interconnection Agreement (SGIA) to provide non-discriminatory interconnection service to Large Generators (i.e., generating facilities having a capacity of more than 20 MW) and Small Generators (i.e., generators having a capacity of no more than 20 MW). The *pro forma* LGIA and *pro forma* SGIA have since been revised through various subsequent proceedings.<sup>4</sup>

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<sup>1</sup> *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs. ¶ 31,146 (2003), *order on reh'g*, Order No. 2003-A, FERC Stats. & Regs. ¶ 31,160, *order on reh'g*, Order No. 2003-B, FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh'g*, Order No. 2003-C, FERC Stats. & Regs. ¶ 31,190 (2005), *aff'd sub nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008).

<sup>2</sup> *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, FERC Stats. & Regs. ¶ 31,180, *order on reh'g*, Order No. 2006-A, FERC Stats. & Regs. ¶ 31,196 (2005), *order granting clarification*, Order No. 2006-B, FERC Stats. & Regs. ¶ 31,221 (2006).

<sup>3</sup> A public utility is a utility that owns, controls, or operates facilities used for transmitting electric energy in interstate commerce, as defined by the FPA. See 16 U.S.C. § 824(e) (2012). A non-public utility that seeks voluntary compliance with the reciprocity condition of an Open Access Transmission Tariff (OATT) may satisfy that condition by filing an OATT, which includes a LGIA and SGIA. See Order No. 2003, FERC Stats. & Regs. ¶ 31,146, at PP 840-845 (2003).

<sup>4</sup> *Small Generator Interconnection Agreements and Procedures*, Order No. 792,

As relevant here, the *pro forma* LGIA and *pro forma* SGIA are largely silent on any requirements with respect to primary frequency response. In particular, the only requirement in the *pro forma* LGIA or *pro forma* SGIA related to primary frequency response is contained within current Article 9.6.2.1 of the *pro forma* LGIA (Governors and Regulators), which provides that *if* speed governors are installed, they should be operated in automatic mode.<sup>5</sup> A speed governor implements the primary frequency response provided by a synchronous generating facility; however, Article 9.6.2.1 does not address governor settings or plant-level controls, which also affect the ability of a generating facility to provide primary frequency response. In addition, Article 9.6.2.1 does not require the installation of the necessary equipment for frequency response capability (i.e., governors or equivalent controls). Finally, the *pro forma* SGIA does not contain any provisions related to primary frequency response.

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

In this Notice of Proposed Rulemaking (NOPR) in RM16-6, the Commission proposes to revise the *pro forma* LGIA and *pro forma* SGIA to include the following: (1) requirements for new large and small generating facilities, both synchronous and non-synchronous, to install, maintain and operate equipment capable of providing primary frequency response as a condition of interconnection; (2) requirements for governor or equivalent controls to be operated, at a minimum, with maximum 5 percent droop and  $\pm 0.036$  Hz deadband settings; (3) requirements to ensure the timely and sustained response to frequency deviations, including provisions to prevent plant-level (i.e., outer-loop) control equipment from inhibiting primary frequency response and resulting in premature withdrawal; and (4) a requirement for droop parameters to be based on nameplate capability with a linear operating range of 59 to 61 Hz. Additionally, based upon comments submitted in response to a Notice of Inquiry (NOI)<sup>6</sup> in this docket, the

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78 Fed. Reg. 73,240 (Nov. 22, 2013), 145 FERC ¶ 61,159 (2013), *clarifying*, Order No. 792-A, 146 FERC ¶ 61,214 (2014); *Reactive Power Requirements for Non-Synchronous Generation*, Order No. 827, 81 Fed. Reg. 40,793 (June 23, 2016), 155 FERC ¶ 61,277 (2016); *Requirements for Frequency and Voltage Ride Through Capability of Small Generating Facilities*, Order No. 828, 81 Fed. Reg. 50,290 (Aug. 1, 2016), 156 FERC ¶ 61,062 (2016).

<sup>5</sup> Article 9.6.2.1 of the *pro forma* LGIA.

<sup>6</sup> The NOI is posted at <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14148894> ; an Errata Notice is posted at <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14150181>.

Commission believes that it is not necessary to impose a generic headroom requirement or subject newly interconnecting nuclear generating facilities to the new requirements. The Commission also does not propose to mandate any specific compensation mechanisms related to the proposed reforms in the NOPR.

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

There is no specific use of information technology associated with these revisions. Commission staff expects to receive all filings via eTariff. In 2010, the Commission fully implemented its eTariff system 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.**

The Commission periodically reviews filing requirements concurrent with OMB review or as the Commission deems necessary to eliminate duplicative filing and to minimize the filing burden. The proposed actions here relate to a Commission jurisdictional tariff. Therefore, the Commission would be the only entity requiring and collecting this information.

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

The Commission estimates that the total number of transmission providers, both public and non-public, affected by this NOPR is 74.<sup>7</sup> Of these, the Commission estimates that approximately 27.5 percent are small entities. The Commission estimates the average total cost to each of these entities will be minimal, requiring on average 10 hours, or \$745.00.

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

To conduct these filings less frequently (i.e. not conducting them at all), the Commission

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<sup>7</sup> The NERC Compliance Registry lists 80 entities that administer a transmission tariff and provide transmission service. The Commission identifies only 74 as being subject to the proposed requirements because 6 are Canadian entities and are not under the Commission's jurisdiction.

would be unable to ensure that rates are just and reasonable and not unduly discriminatory or preferential.

**7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION**

There are no special circumstances.

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

Each FERC activity that results in the revision of an information collection is published in the Federal Register thereby providing public utilities and licensees, state commissions, Federal agencies, and other interested parties an opportunity to submit data, views, comments or suggestions concerning the approved collections of data.

This NOPR was issued on 11/17/2016 and published in the Federal Register on November 25, 2016. Comments will be available in FERC's eLibrary General and Advanced searches under Docket No. RM16-6-000.

**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 data involved and affected by the revisions proposed in this NOPR is public. In general, for all submittals to the Commission, filers may submit specific requests for confidential treatment to the extent permitted by law, as set forth in 18 C.F.R. Section 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**

This collection does not include any questions of a sensitive nature.

**12. ESTIMATED BURDEN COLLECTION OF INFORMATION**

The Commission believes that the burden estimates below are representative of the average burden on respondents. The estimated burden and cost for the requirements contained in this NOPR follow.<sup>8</sup>

The following table contains the reporting burden related to proposed revisions in the NOPR in Docket RM16-6-000.

<b>FERC-516B, in NOPR in RM16-6</b>					
	<b>No. of Respondents<sup>9</sup></b> <b>(1)</b>	<b>Annual No. of Responses Per Respondent</b> <b>(2)</b>	<b>Total No. of Responses</b> <b>(1)*(2)=(3)</b>	<b>Average Burden (Hrs.) &amp; Cost (\$) Per Response</b> <b>(4)</b>	<b>Total Annual Burden Hrs. &amp; Total Annual Cost (\$)</b> <b>(3)*(4)=(5)</b>
LGIA & SGIA changes / revisions	74	1	74	10 hours; \$745.00	740 hours; \$55,130.00
Total			74		740 hours; \$55,130.00

There are no maintenance cost, installation cost or any additional cost or requirements after year 1.

### **13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

There are no start-up or other non-labor costs.

Total Capital and Start-up cost: \$0

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

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<sup>8</sup> For this information collection, the Commission staff estimates that industry is similarly situated in terms of hourly cost (wages plus benefits). Based on the Commission's average cost (wages plus benefits) for 2016, the Commission is using \$74.50/hour.

<sup>9</sup> As explained above, the NERC Compliance Registry lists 80 entities that administer a transmission tariff and provide transmission service. The Commission identifies only 74 as being subject to the proposed requirements because 6 are Canadian entities and are not under the Commission's jurisdiction.

All of the costs in the proposed rule are associated with burden hours (labor) and described in Questions #12 and #15 in this supporting statement.

#### 14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

	Number of Employees (FTE)	Estimated Annual Federal Cost
Analysis and Processing of Filings <sup>10</sup>	.25	\$38,662
PRA <sup>11</sup> Administrative Cost <sup>12</sup>		\$5,481
FERC Total		\$44,143

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.

The Annual Cost to Federal Government (prior to this NOPR in RM16-6) is \$79,938, so the updated federal cost will be \$124,081 (\$79,938 + \$44,143).

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

**NOPR in RM16-6.** The proposed revisions in this docket would require filings of *pro forma* LGIAs and *pro forma* SGIAs with the Commission. The slight increase in burden is due to the amendment to the *pro forma* Large Generator and Small Generator Interconnection Agreements (LGIA and SGIA) to require that all new generating facilities install, maintain, and operate a functioning governor or equivalent controls as a precondition of interconnection. Commission staff anticipates the reforms proposed here, once implemented, would not significantly change currently existing burdens on an ongoing basis.

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

11 Paperwork Reduction Act of 1995 (PRA).

12 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.

<b>FERC-516B</b>	<b>Total Request</b>	<b>Previously Approved</b>	<b>Change due to Adjustment in Agency Estimate</b>	<b>Program Change Due to Agency Discretion</b>
Annual Number of Responses	324	250	0	74
Annual Time Burden (Hours)	2,615	1,875	0	740
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.

**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.