

Supporting Statement for
**FERC-516F Electric Rates Schedules and Tariff Filings,
Modifications Proposed in the NOPR in RM17-8-000**

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review the revisions to FERC-516F as proposed in the Notice of Proposed Rulemaking (NOPR) in Docket No. RM17-8.

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

In Order Nos. 2003¹ and 2006,² 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 providers³ to file revised Open Access Transmission Tariff (OATT) containing these standardized provisions, and use the Large Generator Interconnection Agreement (LGIA), Large Generator Interconnection Procedures (LGIP), Small Generator Interconnection Agreement (SGIA), and Small Generator Interconnection Procedures (SGIP) 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, LGIP, SGIA, and SGIP have since been revised through various subsequent proceedings.⁴

The Commission has identified proposed reforms that could remedy potential shortcomings in the existing interconnection processes. The Commission believes the proposed reforms will benefit interconnection customers through more timely and cost-

1 *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).

2 *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).

3 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).

4 *Small Generator Interconnection Agreements and Procedures*, Order No. 792, 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).

effective interconnection and will benefit transmission providers by mitigating the potential for serial re-studies associated with late-stage interconnection request withdrawals. Specifically, the Commission believes that the provision of more timely and accurate information could increase certainty for interconnection customers and assist them in earlier evaluation and quicker development, as well as assist in earlier, less disruptive withdrawals from the interconnection queue. The Commission also believes that more thorough and transparent information presented for the interconnection customer could enable more informed decisions earlier in the interconnection process, which could reduce late-stage interconnection request withdrawals and result in fewer restudies and delays. More timely and accurate information regarding an interconnection request, as well as greater transparency, will also reduce the incentive for interconnection customers to submit multiple interconnection requests when they only intend to see one to commercial operation. The Commission has also identified a set of reforms that enhance the interconnection process by, for example, addressing interconnection issues experienced most acutely by new technologies. The Commission believes there are ways to allow flexibility in the interconnection process to accommodate innovation.

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 RM17-8, the Commission is proposing fourteen reforms that focus on improving aspects of the *pro forma* LGIA and LGIP, the *pro forma* OATT, and the Commission's regulations. The proposed reforms fall into three broad categories and are intended to: (1) improve certainty in the interconnection process; (2) improve transparency by providing more information to interconnection customers; and (3) enhance interconnection processes.

First, the Commission proposes four reforms to improve certainty by affording interconnection customers more predictability in the interconnection process. To accomplish this goal, the Commission proposes to: (1) revise the *pro forma* LGIP to require transmission providers that conduct cluster studies to move toward a scheduled, periodic restudy process; (2) remove from the *pro forma* LGIA the limitation that interconnection customers may only exercise the option to build transmission provider's interconnection facilities and stand alone network upgrades if the transmission owner cannot meet the dates proposed by the interconnection customer; (3) modify the *pro forma* LGIA to require mutual agreement between the transmission owner and interconnection customer for the transmission owner to opt to initially self-fund the costs of the construction of network upgrades; and (4) require that the Regional Transmission Organizations (RTO) and Independent System Operators (ISO) establish dispute resolution procedures for interconnection disputes. The Commission also seeks comment on the extent to which a cap on the network upgrade costs for which interconnection

customers are responsible can mitigate the potential for serial restudies without inappropriately shifting cost responsibility.

Second, the Commission proposes five reforms to improve transparency by providing improved information for the benefit of all participants in the interconnection process. These reforms would provide a fuller picture of the considerations involved in interconnecting a new large generating facility. The Commission proposes to: (1) require transmission providers to outline and make public a method for determining contingent facilities in their LGIPs and LGIAs based upon guiding principles in the Proposed Rule; (2) require transmission providers to list in their LGIPs and on their Open Access Same-Time Information System (OASIS) sites the specific study processes and assumptions for forming the networking models used for interconnection studies; (3) require congestion and curtailment information to be posted in one location on each transmission provider's OASIS site; (4) revise the definition of "Generating Facility" in the *pro forma* LGIP and LGIA to explicitly include electric storage resources; and (5) create a system of reporting requirements for aggregate interconnection study performance. The Commission also seeks comment on proposals or additional steps that the Commission could take to improve the resolution of issues that arise when affected systems are impacted by a proposed interconnection.

Third, the Commission proposes five reforms to enhance interconnection processes by making use of underutilized existing interconnections, providing interconnection service earlier, or accommodating changes in the development process. In this area, the Commission proposes to: (1) allow interconnection customers to limit their requested level of interconnection service below their generating facility capacity; (2) require transmission providers to allow for provisional agreements so that interconnection customers can operate on a limited basis prior to completion of the full interconnection process; (3) require transmission providers to create a process for interconnection customers to utilize surplus interconnection service at existing interconnection points; (4) require transmission providers to set forth a separate procedure to allow transmission providers to assess and, if necessary, study an interconnection customer's technology changes (e.g., incorporation of a newer turbine model) without a change to the interconnection customer's queue position; and (5) require transmission providers to evaluate their methods for modeling electric storage resources for interconnection studies and report to the Commission why and how their existing practices are or are not sufficient.

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. Further, Commission staff believes that there is minimal burden associated with the proposed postings to OASIS websites and therefore does not believe that improved information technology would have a meaningful impact on the burden of this proposed rulemaking on utilities.

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 and the company posting information on its website. 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 132. Of these, the Commission estimates that approximately 43 percent (approximately 54 entities) are small entities. The Commission estimates the average total cost to each of these entities will be between \$20,562 and \$21,158 in the first year of compliance and approximately \$4,768 in subsequent years.

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 would be unable to ensure that rates are just and reasonable and not unduly discriminatory or preferential. The proposals within this NOPR have several beneficial effects on the generator interconnection process benefiting both customers and service providers. The provision of more timely and accurate information should facilitate interconnection customer decision making, improve interconnection queue operations and help with generation project development.

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 12/15/2016 and published in the Federal Register on 1/13/2017. Comments will be available in FERC's eLibrary under Docket No. RM17-8-000.

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 CFR 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

There is no existing burden for the FERC-516F information collection. It is a temporary information collection number intended only to allow the timely submission of these requirements to OMB. These requirements should be submitted to the FERC-516 information collection (OMB Control No. 1902-0096). However there was another unrelated item under FERC-516 pending OMB review, and only one item per OMB Control No. can be pending OMB review at a time. Therefore we are using FERC-516F

as a ‘placeholder’ for this submittal. Eventually, these requirements will be administratively moved out of the FERC-516F information collection (along with the discontinuance of FERC-516F) and submitted into the FERC-516 information collection.

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.⁵

The following table contains the reporting burden related to proposed revisions in the NOPR in Docket RM17-8-000:

FERC-516F					
	Number of Applicable Registered Entities (1)	Annual Number of Responses per Respondent (2) ⁶	Total Number of Responses (1)*(2)=(3)	Average Burden (Hours) (4)	Total Annual Burden Hours (3)*(4)=(5)
Issue A1 – Scheduled periodic restudies	Non-RTO/ISO (126)	Year 1– 1 Year 2– 0	Year 1– 126 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 504 Year 2– 0
	RTO/ISO (6)	Year 1– 1 Year 2– 0	Year 1– 6 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 24 Year 2– 0
Issue A2 – Interconnection customer’s option to build	Non-RTO/ISO (126)	Year 1– 1 Year 2– 0	Year 1– 126 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 504 Year 2– 0
	RTO/ISO (6)	Year 1– 1 Year 2– 0	Year 1– 6 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 24 Year 2– 0
Issue A3 – Self-funding by the transmission owner	Non-RTO/ISO (126)	N/A	N/A	N/A	N/A
	RTO/ISO (6)	Year 1– 1 Year 2– 0	Year 1– 6 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 24 Year 2– 0
Issue A4 – RTO/ISO dispute resolution	Non-RTO/ISO (126)	N/A	N/A	N/A	N/A
	RTO/ISO (6)	Year 1– 1 Year 2– 0	Year 1– 6 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 24 Year 2– 0

⁵ 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.

⁶ Any figures labeled as “Year 2” should be considered ongoing response or burden amounts.

FERC-516F					
	Number of Applicable Registered Entities (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden (Hours) (4)	Total Annual Burden Hours (3)*(4)=(5)
Issue A5 – Capping costs for network upgrades	Non-RTO/ISO (126)	N/A	N/A	N/A	N/A
	RTO/ISO (6)	N/A	N/A	N/A	N/A
Issue B1 – Identification and definition of contingent facilities	Non-RTO/ISO (126)	Year 1– 1 Year 2– 0	Year 1– 126 Year 2– 0	Year 1– 80 Year 2– 0	Year 1– 10,080 Year 2– 0
	RTO/ISO (6)	Year 1– 1 Year 2– 0	Year 1– 6 Year 2– 0	Year 1– 80 Year 2– 0	Year 1– 480 Year 2– 0
Issue B2 – Lack of transparency in the interconnection process	Non-RTO/ISO (126)	Year 1– 1 Year 2– 0	Year 1– 126 Year 2– 0	Year 1– 80 Year 2– 0	Year 1– 10,080 Year 2– 0
	RTO/ISO (6)	Year 1– 1 Year 2– 0	Year 1– 6 Year 2– 0	Year 1– 80 Year 2– 0	Year 1– 480 Year 2– 0
Issue B3 – Curtailment concerns	Non-RTO/ISO (126)	Year 1– 1 Year 2– 12	Year 1– 126 Year 2– 1512	Year 1– 4 Year 2– 4	Year 1– 504 Year 2– 6,048
	RTO/ISO (6)	Year 1– 1 Year 2– 12	Year 1– 6 Year 2– 72	Year 1– 4 Year 2– 4	Year 1– 24 Year 2– 288
Issue B4 – Definition of generating facility	Non-RTO/ISO (126)	Year 1– 1 Year 2– 0	Year 1– 126 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 504 Year 2– 0
	RTO/ISO (6)	Year 1– 1 Year 2– 0	Year 1– 6 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 24 Year 2– 0
Issue B5 – Interconnection study deadlines	Non-RTO/ISO (126)	Year 1– 1 Year 2– 4	Year 1– 126 Year 2– 504	Year 1– 4 Year 2– 4	Year 1– 504 Year 2– 2,016
	RTO/ISO (6)	Year 1– 1 Year 2– 4	Year 1– 6 Year 2– 24	Year 1– 4 Year 2– 4	Year 1– 24 Year 2– 96

FERC-516F					
	Number of Applicable Registered Entities (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden (Hours) (4)	Total Annual Burden Hours (3)*(4)=(5)
Issue C1 – Requesting interconnection service below generating facility capacity	Non-RTO/ISO (126)	Year 1– 1 Year 2– 0	Year 1– 126 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 504 Year 2– 0
	RTO/ISO (6)	Year 1– 1 Year 2– 0	Year 1– 6 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 24 Year 2– 0
Issue C2 – Provisional agreements	Non-RTO/ISO (126)	Year 1– 1 Year 2– 0	Year 1– 126 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 504 Year 2– 0
	RTO/ISO (6)	Year 1– 1 Year 2– 0	Year 1– 6 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 24 Year 2– 0
Issue C3 – Utilization of surplus interconnection service	Non-RTO/ISO (126)	Year 1– 1 Year 2– 0	Year 1– 126 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 504 Year 2– 0
	RTO/ISO (6)	Year 1– 1 Year 2– 0	Year 1– 6 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 24 Year 2– 0
Issue C4 – Material modification and incorporation of advanced technologies	Non-RTO/ISO (126)	Year 1– 1 Year 2– 0	Year 1– 126 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 504 Year 2– 0
	RTO/ISO (6)	Year 1– 1 Year 2– 0	Year 1– 6 Year 2– 0	Year 1– 4 Year 2– 0	Year 1– 24 Year 2– 0
Issue C5 – Modeling of electric storage resources	Non-RTO/ISO (126)	Year 1– 1 Year 2– 0	Year 1– 126 Year 2– 0	Year 1– 80 Year 2– 0	Year 1– 10,080 Year 2– 0
	RTO/ISO (6)	Year 1– 1 Year 2– 0	Year 1– 6 Year 2– 0	Year 1– 80 Year 2– 0	Year 1– 480 Year 2– 0
Total	Non-RTO/ISO, Year 1		276	34,776	
	Non-RTO/ISO, Ongoing		64	8,064	
	RTO/ISO, Year 1		284	1,704	
	RTO/ISO, Ongoing		64	384	

Costs related to Burden Estimate⁷:

⁷ (\$154,647/year) / (2,080 hours/year) = \$74.349 per hour and is rounded to \$74.50 per hour.

Year 1: \$2,590,812 (\$20,562/non-RTO/ISO utility), \$126,948 (\$21,158/RTO/ISO utility)⁸

Year 2 and ongoing: \$600,768 (\$4,768/non-RTO/ISO utility), \$28,608 (\$4,768/RTO/ISO utility)⁹

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

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 ¹⁰	0.25	\$38,662
PRA ¹¹ Administrative Cost ¹²		\$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.

⁸ Non-RTO/ISO utility costs (Year One): 34,776 hours * \$74.50/hr. = \$2,590,812; \$2,590,812 ÷ 126 = \$20,562/respondent.

RTO/ISO utility costs (Year One): 1,704 hours * \$74.50/hr = \$126,948; \$126,948 ÷ 6 = \$21,158/respondent.

⁹ Non-RTO/ISO utility costs (Year 2 and ongoing): 8,064 hours * \$74.50/hr = \$600,768; \$600,768 ÷ 126 = \$4,768.

RTO/ISO utility costs (Year 2 and ongoing): 384 hours * \$74.50/hr = \$28,608; \$28,608 ÷ 6 = \$4,768.

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.

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

The proposed revisions in this docket would require filings of *pro forma* LGIAs, *pro forma* LGIPs, and *pro forma* OATTS with the Commission, as well as periodic postings to OASIS websites. The increase in burden is due to the proposed improvements to the interconnection process. Commission staff anticipates the reforms proposed here, once implemented, would not significantly change currently existing burdens on an ongoing basis. In regards to OASIS postings specifically, Commission staff anticipates that the majority of the burden associated with those requirements would be incurred in the first year developing the necessary processes and procedures to generate the data to be posted, and that in subsequent years there will be minimal burden to make those postings.

For the purposes of ROCIS and reginfo.gov, we are averaging the number of responses and burden hours over Years 1-3 in the table below; the one-time implementation burden will be removed after Year 3.

FERC-516F	Total Request	Previously Approved	Change due to Adjustment in Agency Estimate	Program Change Due to Agency Discretion
Annual Number of Responses	272 ¹³	0	0	272
Annual Time Burden (Hours)	17,792 ¹⁴	0	0	17,792
Annual Cost Burden (\$)	\$0	\$0	\$0	\$0

¹³ Non-RTO/ISO: The total number of responses for Years 1-3 is 404 (276 + 64 + 64). The average annual no. of responses is ~135 (404 ÷ 3).

RTO/ISO: The total number of responses for Years 1-3 is 412 (284 + 64 + 64). The average annual no. of responses is ~137(412 ÷ 3)

The average annual no. of responses (including both non-RTO/ISO and RTO/ISO) over Years 1-3 is 272 (135 + 137).

¹⁴ Non-RTO/ISO: The total no. of burden hours for Years 1-3 is 50,904 (34,776 + 8,064 + 8,064). The average annual no. of burden hours is 16,968 (50,904 ÷ 3).

RTO/ISO: The total no. of burden hours for Years 1-3 is 2,472 (1,704 + 384 + 384).The average annual no. of burden hours is 824 (2,472 ÷ 3)

The average annual no. of burden hours (including both non-RTO/ISO and RTO/ISO) over Years 1-3 is 17,792 (16,968 + 824).

FERC-516F (OMB Control No.: TBD)
as proposed by the NOPR (issued 12/15/2016) in Docket No. RM17-8-000
RIN: 1902-AF33

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.