

Supporting Statement for
FERC-512 (Preliminary Permit)
(Three-year approval for extension requested)

The Federal Energy Regulatory Commission (FERC or Commission) requests that the Office of Management and Budget (OMB) review and approve the FERC-512 (Preliminary Permit) information collection under OMB Control No. 1902-0073. The reporting requirements are contained in 18 CFR Parts 4.31-4.33, 4.81-4.84, 4.35, 4.36(a) and 4.36(c).

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

The Commission regulates nonfederal hydropower projects on navigable waters and federal lands pursuant to the Federal Power Act (FPA).¹

The FERC-512 is an application for a preliminary permit or to extend a preliminary permit term. Preliminary permits, issued for up to three years, preserve the right of permit holders to have first priority in applying for a license for a project being studied, but do not authorize construction of any facilities. Nor does a preliminary permit allow the use of eminent domain to acquire lands for the project. The preliminary permits are issued pursuant to sections 4(f), 5, and 7 of the FPA. Preliminary permits can be extended one time for up to two additional years, pursuant to section 5 of the FPA.

The purpose of obtaining a preliminary permit is to maintain priority status for an application for a license while the applicant conducts site examinations and surveys to prepare maps, plans, specifications, and estimates. This period of time also provides the applicant with the opportunity to conduct engineering, economic, and environmental feasibility studies in addition to making the financial arrangements for funding the construction of the project. No other application for a preliminary permit or application for license submitted by another party can be accepted during the permit term.

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

The application for a preliminary permit is used by Commission staff to assess the scope of the proposed project, the technology to be used, and jurisdictional aspects of the project. The staff assessment includes a review of the proposed hydro development for conflicts with other permits or existing projects and public notice of the application to solicit public and agency comments. The application for a one-time extension, up to two years, of a preliminary permit is used by

¹ 16 USC §§791a-825r (2012).

Commission staff to determine if a permittee has met the Hydropower Efficiency Act's good faith and reasonable diligence standards.

An application for a preliminary permit includes an initial statement and three numbered exhibits, per 18 CFR 4.81. The initial statement includes information on the applicant, the project, the requested term of the permit, affected political jurisdictions, and a verification of the facts presented. The three numbered exhibits are as follows:

- Exhibit One is a description of the proposed project and includes a characterization of the project structures, transmission facilities, and reservoir; estimates of energy and capacity; identification of affected United States lands; and any other information that demonstrates how the proposed development of the water resource would be in the public interest.
- Exhibit Two is a description of project studies, either completed or planned, for the purpose of assessing project feasibility, determining environmental impacts, and preparing an application for license including a proposed schedule for completing each study. The exhibit includes a statement of costs and financing that includes an estimate of the costs of doing the project studies described above and the source of funding for these studies.
- Exhibit Three includes a map or series of maps that clearly show the location of the project, the location and relationship of the principal project features, a proposed boundary for the project, any lands or reservations of the United States needed for project purposes, and areas which are specially protected.

A permit holder is not required to file a license application. Likewise, a developer may study a project without holding a preliminary permit. However, the holding of a permit does give a developer first priority to file a license application over any competitors who wish to file applications for projects at the same site during the permit term.

Any permittee wishing to extend the term of its permit must file an application pursuant to 18 CFR 4.82. In its application, the applicant should specify the requested term of the extension, and pursuant to the Hydropower Efficiency Act, describe how it has carried out activities under its permit in good faith and with reasonable diligence.

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

FERC continually considers the use of improved information technology to reduce burden in the filing requirements for submission of information.

The Commission allows eFiling of the FERC-512 application. See <http://www.ferc.gov/docs-filing/efiling.asp> for more details and information.

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

No similar information is available; these are case-specific applications for a benefit (e.g., permit) and are unique to the applicant and the site for which the filing is made.

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

The FERC-512 reporting requirements are basic filing requirements pertaining to all applications for a preliminary permit or for a one-time two-year extension of a preliminary permit. The data required impose the least possible burden on applicants while collecting information required to process the information.

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

If the information were not collected, the potential license applicant(s) would have no means to establish priority for future development of the site (i.e. hold the site while studies are conducted to determine the feasibility of hydropower development). The lack of priority would place potential license applicants at greater financial risk in pursuing hydropower, and could discourage developers from pursuing hydropower. The collection could not be made less frequently since it is made only once upon the filing of the permit application and once for a one-time extension of up to two years.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

There are no special circumstances related to this information collection.

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

In accordance with OMB requirements, the Commission published a 60-day notice² and a 30-day notice³ to the public regarding this information collection on 10/4/2017 and 12/26/2017 respectively. Within the public notices, the Commission noted that it would be requesting a three-year extension of the public reporting burden.

The Commission received no comments in response to either of these notices.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

There are no payments or gifts to respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not consider the information collected in filings to be confidential. However, the Commission will consider specific requests for confidential treatment (e.g., Critical Energy/Electric Infrastructure Information [CEII] or non-public) to the extent permitted by law.⁴ The Commission will review each request for confidential treatment on a case-by-case basis.

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.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

FERC-512 (Preliminary Permit)						
	Number of Respondents (1)	Annual Number of Responses per Respondent (2)	Total Number of Responses (1)*(2)=(3)	Average Burden & Cost Per Response ⁵ (4)	Total Annual Burden & Total Annual Cost (3)*(4)=(5)	Cost per Respondent (\$) (5)÷(1)

² 82 FR 46231

³ 82 FR 60978

⁴ 18 CFR 388.112

⁵ The estimates for cost per response are derived using the following formula: Average Burden Hours per Response * \$76.50 per Hour = Average Cost per Response. The hourly cost figure of \$76.50 is the 2017 average FERC employee wage plus benefits. We assume that respondents earn at a similar rate to FERC employees.

FERC-512	50	1	50	24 hrs.; \$1,836	1,200 hrs.; \$91,800	\$1,836
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13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no capital or start-up costs associated with these information collections. All of the costs are associated with the burden hours and accounted for in Questions #12 and #15.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The estimated costs of the program related to these filing requirements follows.

FERC-512	Number of Employees (FTEs)	Estimated Annual Federal Cost
FERC-512 Analysis and Processing of filings ⁶	5	\$793,770
Paperwork Reduction Act Administrative Cost ⁷		\$5,723
TOTAL		\$799,493

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

The total annual burden for the FERC-512 information collection decreased by 155 responses and 3,745 hours from previously approved information collection requests⁸. The decrease is due entirely to a reduction in the number of applications filed to the Commission over the past three years. The current annual number of responses (50) is more representative of recent years of activity concerning this collection. The reduction in the number of applications received is due to multiple factors:

- Expiration of federal production tax credits that previously benefited hydropower projects;
- Natural gas production has driven electric rates down and has rendered hydropower uneconomical; and

⁶ The “Estimated Annual Federal Cost” uses the 2017 average annual cost (salary plus benefits) of one FERC FTE (Full Time Equivalent) which is \$158,754. Salary is approximately 76.3% of the \$158,754; benefits comprise approximately 23.7%.

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.

⁸ ICR 201412-1902-002; concluded on 2/19/2015.

- Reduced interest in hydropower projects due to most viable locations having already been developed or investigated for development.

Overall, there is less demand for preliminary permits.

The reporting requirements are not changing in this ICR. Thus, there is no change in the average burden per response for the FERC-512 information collection.

FERC-512	Total Request	Previously Approved	Change due to Adjustment in Estimate	Change Due to Agency Discretion
Annual Number of Responses	50	205	-155	0
Annual Time Burden (Hr.)	1,200	4,945	-3,745	0
Annual Cost Burden (\$)	\$0	\$0	\$0	\$0

16. TIME SCHEDULE FOR PUBLICATION OF DATA

There are no tabulations, statistical analyses, or publications of information planned for the information collection. The Commission intends to use the data for regulatory purposes only.

17. DISPLAY OF EXPIRATION DATE

The expiration date is displayed in a table posted on [ferc.gov](http://www.ferc.gov) at <http://www.ferc.gov/docs-filing/info-collections.asp>.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.