

Supporting Statement for  
**FERC-921, Ongoing Electronic Delivery of Data from Regional Transmission Organizations (RTO) and Independent System Operators (ISO)**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve the information collection requirements in the FERC-921 (Ongoing Electronic Delivery of Data from Regional Transmission Organizations (RTO) and Independent System Operators (ISO)) for a three-year period. FERC-921 (OMB Control No. 1902-0257) is an existing Commission data collection, as stated by 18 Code of Federal Regulations (CFR), Section 35.28(g) (4).<sup>1</sup>

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

FERC is under a statutory obligation to ensure that sales of electricity in wholesale markets are made at just and reasonable rates<sup>2</sup> and to address market manipulation in connection with the purchase or sale of electricity subject to the Commission's jurisdiction.<sup>3</sup> To this end, section 301(b) of the FPA provides that the Commission shall, at all times, have access to and the right to inspect and examine all accounts and records of public utilities.<sup>4</sup> In this information collection, and pursuant to its authority under section 301(b), the Commission requires ongoing electronic delivery of data including accounts and records of the RTOs/ISOs, which are public utilities.

Moreover, the Commission has authority pursuant to section 307(a) of the FPA to investigate any facts, conditions, practices, or matters it may deem necessary or proper to determine whether any person, electric utility, transmitting utility, or other entity may have violated or might violate the FPA or the Commission's regulations, or to aid in the

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<sup>1</sup> 18 CFR 35.28(g)(4) states: "*Electronic delivery of data.* Each Commission-approved regional transmission organization and independent system operator must electronically deliver to the Commission, on an ongoing basis and in a form and manner consistent with its own collection of data and in a form and manner acceptable to the Commission, data related to the markets that the regional transmission organization or independent system operator administers."

<sup>2</sup> See 16 U.S.C. 824d, 824e.

<sup>3</sup> See 16 U.S.C. 824v.

<sup>4</sup> 16 U.S.C. 825(b).

enforcement of the FPA or the Commission regulations, or to obtain information about wholesale power sales or the transmission of power in interstate commerce.<sup>5</sup>

Markets continue to evolve with increasing sophistication and reliance on information. For this reason, the Commission's market monitoring and surveillance capabilities and associated data requirements must evolve to keep pace.. Entities who intend to manipulate or otherwise harm the markets adapt as they learn of the successes of the Commission's surveillance and enforcement programs.

Finally, the Commission's evaluation of market rules, regulations, and policies is routinely informed by the data submitted in response to 18 CFR 35.28(g)(4) promulgated in Order No. 760.<sup>6</sup> Electronic delivery of these data enables the Commission to quickly understand and respond to a range of market activities, helping to ensure that rates are just and reasonable.

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

The information is to be used by FERC staff for several different purposes including the surveillance of electricity markets and for assessing, analyzing, and improving the efficiency and effectiveness of FERC policies and regulations.

Surveillance of Electricity Markets - To enhance FERC's market monitoring and surveillance efforts, FERC has been requiring ongoing, electronic delivery of data from each RTO and ISO. These data enable FERC to detect anti-competitive behavior, manipulative behavior, and ineffective market rules. This information is therefore key to ensuring just and reasonable rates.

FERC is using these data extensively for automated screens and other analyses designed to detect attempts to manipulate RTO/ISO pricing and to detect market abuses. For example, staff runs screens that identify patterns at the hourly level by monitoring the interactions between physical and virtual bidding strategies and potentially benefiting payouts. Staff has also developed and deployed analytic tools and screens for: (1) analyzing physical offer behavior in day ahead and real time auctions (2) detecting day ahead market congestion manipulation that would benefit financial transmission rights and swap-futures positions; (3) identifying anomalies in physical offer patterns; and (4)

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<sup>5</sup> 16 U.S.C. 825f(a).

<sup>6</sup> Order No. 760 (in Docket No. RM11-17) was issued on 4/19/2012 and is available at <https://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12952587>.

identifying abnormal out-of-market payments.

FERC and Regulations - In overseeing wholesale electricity markets, the Commission routinely evaluates existing market designs and the effectiveness of market rules. The Commission uses the information submitted under this collection to effectively carry out these functions. Further, this information enables the Commission to identify ineffective market rules and is crucial for informing Commission policies and decision-making. This information is therefore key to FERC's ability to carry out its mission of ensuring just and reasonable rates.

For example, the Commission has used this data to analyze the interactions of a range of market operations, business practices, and generation-unit-specific decisions on wholesale electricity prices. Additionally, these data have been used to better understand market activity, particularly what has changed in markets following o FERC orders.

Consequence of not collecting the information - The information is essential in carrying out the two functions described above. Without the routine collection of this information, monitoring adherence to market rules and developing and reviewing Commission policies would rely on more general, less reliable data. Reliance on more general data would, in turn, require much more frequent bespoke ad hoc data requests which would likely impose greater burden than this, largely automated, program.

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

This data collection and means of delivery are, themselves, a result of the consideration of the use of improved information technology to reduce burden. The datasets from this collection have substantially reduced the frequency of ad hoc data requests of the RTO and ISOs under FERC's authority. Each ad hoc data request required substantial effort by the RTO staff to produce bespoke responses. This collection, therefore, enables the routine mechanical delivery of RTO and ISO data, significantly lessening RTO and ISO burden while ensuring that FERC has the information it needs to review, analyze and monitor its jurisdictional market.

In defining the data collection, FERC allowed each RTO and ISO to deliver its data in a form consistent with its own systems. This has eliminated the need for the submitters to adjust or translate their data to standardize it for submission

### **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's Order creating this collection specifically excludes public information that can be (and often is) collected by the Commission through other means. Further, by allowing the respondents discretion over how the information is submitted to the Commission, by stipulating that these data be delivered in the form that the respondent keeps them, and by collecting the datasets in a manner consistent with database tables, the Commission effectively minimizes the risk that duplicative data will be submitted under this collection and the risk that these data are already available elsewhere.

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

None of the six respondents subject to this information collection is a small entity. For more information on the entities, see Attachment A.

Under this collection, the respondents provide information to the Commission regarding participants in the markets they operate; some of those market participants may be small entities. By collecting data from the respondents, which are not small entities, the need for collecting similar data through ad hoc data requests from individual participants is obviated, therefore, minimizing the potential burden of collecting this information from small entities while ensuring greater data quality and consistency.

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

The foundation of FERC's efforts to detect and deter anti-competitive behavior, manipulative behavior, and ineffective market rules is the timely, ongoing electronic delivery of data. Such information includes physical and virtual offers and bids, market awards, resource outputs, marginal cost estimates, shift factors, financial transmission rights, internal bilateral contracts, uplift, and interchange pricing.

Less frequent delivery may also present technological hurdles. For instance, if these data were delivered less frequently, the size of each transfer would be considerably larger and more difficult for the respondents to generate and submit to the Commission. Larger transfers would require longer transfer, management and back-up times, potentially disrupting other data procedures managed by FERC or RTOs and ISOs. Delivery at a reduced frequency would also require respondents to change their internal processes and policies.

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

There are no special circumstances relating to FERC-921.

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

In accordance with OMB requirements, the Commission published a 60-day notice<sup>7</sup> (in Docket No. IC18-10) soliciting public comment.

The Commission received comments from one commenter who is also a subject respondent, the New York Independent System Operator, Inc. They wrote:

“the Commission should continue to require the ongoing delivery of data in the same manner that the data is currently delivered, in accordance with FERC Order No. 760 and FERC-921.”<sup>8</sup>

This comment clearly supports the Commission’s request to extend the information collection without change.

In addition, the Commission is issuing (and publishing in the Federal Register) a 30-day public notice (83 FR 28227, 6/18/2018)<sup>9</sup> requesting comment.

**9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS**

The Commission does not provide compensation or remuneration to entities filing the FERC-921 or others subject to its jurisdiction.

<sup>7</sup> The 60-day Notice was published at 83 FR 14458, 4/4/2018. It’s also available in FERC’s eLibrary at <https://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14857540> .

<sup>8</sup> The comment is posted in FERC’s eLibrary at <https://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=14938676> and also included in reginfo.gov and ROCIS.

<sup>9</sup> The notice is posted in eLibrary at <https://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=14942763> and published in the Federal Register at [https://www.gpo.gov/fdsys/pkg/FR-2018-06-18/pdf/2018-12942.pdf?utm\\_campaign=subscription%20mailing%20list&utm\\_source=federalregister.gov&utm\\_medium=email](https://www.gpo.gov/fdsys/pkg/FR-2018-06-18/pdf/2018-12942.pdf?utm_campaign=subscription%20mailing%20list&utm_source=federalregister.gov&utm_medium=email) .

**10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS**

Much of the information FERC has received and expects to receive per the requirements of FERC-921 is, by its nature, commercially-sensitive. Disclosure of such information could result in competitive harm to market participants and the market as a whole. Accordingly, FERC keeps these data non-public consistent with Order No. 760.

Access to these data is limited to those within the Commission who require these data to do their jobs effectively. Staff who use these data for surveillance and investigative analysis are also required to take security training in addition to the Commission's standard training and sign an acknowledgement of their understanding of that training.

In addition, FERC provides confidentiality to the RTOs and ISOs by only publishing aggregate results in reports derived from FERC-921 data,<sup>10</sup> reviewing the analysis to confirm that no published results can be used to infer the identity of specific market participants, and by allowing access only to staff who understand the importance of maintaining the confidentiality of these data.

Moreover, we note that entities may file requests to obtain data from FERC, although none has. FOIA exemption 4,<sup>11</sup> however, protects 'trade secrets and commercial or financial information from a person [that is] privileged or confidential. Although the Commission cannot foreclose requests of information related to ongoing electronic submissions of non-public data, we expect that all such data found to satisfy the requirements of exemption 4 would be protected from disclosure.

**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 that are considered private.

**9. ESTIMATED BURDEN ON COLLECTION OF INFORMATION**

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<sup>10</sup> <https://www.ferc.gov/legal/staff-reports/2014/08-13-14-uplift.pdf>

<sup>11</sup> [http://www.justice.gov/sites/default/files/oip/legacy/2014/07/23/exemption4\\_0.pdf](http://www.justice.gov/sites/default/files/oip/legacy/2014/07/23/exemption4_0.pdf)

**FERC-921 (OMB Control No. 1902-0257)**

The estimated annual reporting burden and cost<sup>12</sup> related to the FERC-921 information collection follows.

<b>FERC-921 (Ongoing Electronic Delivery of Data from Regional Transmission Organizations and Independent System Operators)</b>						
<b>Category</b>	<b>Number of Respondents (1)</b>	<b>Annual Number of Responses per Respondent (2)</b>	<b>Total Number of Responses (1)*(2)=(3)</b>	<b>Average Burden &amp; Cost Per Response (4)</b>	<b>Total Annual Burden Hours &amp; Cost (3)*(4)=(5)</b>	<b>Annual Cost per Respondent (\$) (5)÷(1)</b>
Ongoing electronic delivery of data	6	1	6 <sup>13</sup>	52 hrs.; \$2,460 <sup>14</sup>	312 hrs.; \$14,758	\$2,460
Changes to the delivered data made by the RTO/ISO	6	1	6 <sup>15</sup>	480 hrs.; \$37,848 <sup>16</sup>	2,880 hrs.; \$227,088	\$37,848

<sup>12</sup> Costs (for wages and benefits) are based on wage figures from the Bureau of Labor Statistics (BLS) for May 2016 (at [https://www.bls.gov/oes/current/naics2\\_22.htm](https://www.bls.gov/oes/current/naics2_22.htm)) and benefits information (for December 2017, issued March 20, 2018, at <https://www.bls.gov/news.release/ecec.nr0.htm>).

<sup>13</sup> Each RTO/ISO electronically submits data daily. To match with past filings, we are considering the collection of daily responses to be a single response.

<sup>14</sup> The ongoing electronic delivery of data requires a computer support specialist (code 15-1150), at an hourly cost (wages plus benefits) of \$47.30 (rounded).

<sup>15</sup> Each RTO/ISO is estimated to make one and a half changes yearly. To be consistent with the formulation that the submissions over the course of a year constitute a single response, for the purpose of this calculation, we are assuming that each response requires one and a half changes over the course of the year and estimating burden accordingly.

				532 hrs.;	3,192 hrs.;	
<b>Total</b>	6	2	12	\$40,308	\$241,846	\$40,308

**10. ESTIMATE OF THE TOTAL COST BURDEN TO RESPONDENTS**

There are no non-labor costs currently associated with the FERC-921 information collection. All of the costs in this collection are associated with burden hours (labor) and described in Questions #12 and #15.

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

The estimated annualized cost to the Federal Government for FERC-921 as related to the information collection requirements are as follows:

	<b>Number of Employees (FTE)</b>	<b>Estimated Annual Federal Cost</b>
FERC-921 Analysis and Processing of filings <sup>17</sup>	3.5	\$576,870
PRA <sup>18</sup> Administrative Cost		\$4,931
IT Costs		\$300,000
<b>FERC Total</b>		<b>\$881,801</b>

<sup>16</sup> Changes to the delivered data require a database administrator (code 15-1141), legal review (code 23-0000), and executive review (code 11-1000). The hourly costs (wages plus benefits) are \$65.07, \$143.68, and \$96.68, respectively. We weighted the hourly cost figure to account for the fraction of time for each skill set per response, and used an estimate of ¾, 1/8, and 1/8 respectively. We used the following formula for the weighted hourly cost figure: \$65.07 (0.75) + \$143.68 (0.125) + \$96.68 (0.125) = \$78.85 (rounded).

We estimate the total time required per change to be 320 hours. Because a response encompasses one year where there are, on average, 1.5 changes, the total time per response is 480 hours (1.5 \* 320 hours).

<sup>17</sup> The cost estimate is based upon FERC’s FY2018 average annual salary plus benefits per FTE (full-time equivalent) of \$164,820.

<sup>18</sup> Paperwork Reduction Act of 1995 (PRA)



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 actual filings.

The Paperwork Reduction Act (PRA) Administrative Cost (updated May 2018) is the average annual FERC cost associated with preparing, issuing, and submitting materials necessary to comply with the PRA for rulemakings, orders, or any other vehicle used to create, modify, extend, or discontinue an information collection. It also includes the cost of publishing the necessary notices in the Federal Register.

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

The reporting requirements are not changing, but changes to the markets have created the need for respondents to update the designs of their data submissions more frequently than originally estimated in Order No. 760 (current estimate based on past performance is 1.5 changes per respondent per year).

The recurring effort involved in electronically delivering RTO/ISO data to the Commission includes:

- Daily delivery of data from each RTO and ISO within seven days after each RTO and ISO creates the dataset. This delivery includes data created daily as well as data created more and less frequently but included in the daily package when available. The actual delivery of these data imposes little burden on the submitters. Each RTO and ISO has developed automated processes to generate each day's submission.
- Notification to FERC of impending changes to datasets 90 days in advance and updating delivery package design, documentation and test data to implement those changes: Much of the ongoing effort associated with this collection is associated with the occasional updating of the data packages. The RTOs and ISOs are required to communicate with FERC when their data is changing so that FERC can adapt its databases accordingly. This requires communicating how the data will be structured in their own systems and providing test data for FERC to develop around. Because the programming associated with the package being delivered to FERC is integrated into the RTO and ISO's efforts to update their own systems to accommodate changing data, effort associated with the FERC submission is marginal and difficult to isolate.
- Addressing questions and issues arising out of the data and troubleshooting delivery issues: This collection contains six databases with over 800 tables. The

RTOs and ISOs have provided critical help regarding the interpretation of the documentation

- Ongoing maintenance of security certificates: Once a year, FERC issues security certificates to each RTO and ISO to ensure the integrity of its data encryption.

The estimates of burden and number of responses follow. (Note that the revised estimates represent adjustments only; there are no changes to the reporting requirements, respondents, or frequency of filing.)

<b>FERC-921</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	12	6	6	0
Annual Time Burden (Hrs.)	532	588	-56	0
Annual Cost Burden (\$)	\$0	\$0	\$0	0

**16. TIME SCHEDULE FOR THE PUBLICATION OF DATA**

These data are not intended for publication.

**17. DISPLAY OF EXPIRATION DATE**

The expiration date is displayed at <http://www.ferc.gov/docs-filing/info-collections.asp>.

**18. EXCEPTION TO THE CERTIFICATION STATEMENT**

There are no exceptions.

**Attachment A**

This is a list of the RTOs/ISOs affected by the FERC-921 information collection and general descriptions of each:

- California Independent System Operator (CAISO) is a nonprofit organization with over 54,000 megawatts of capacity and over 25,000 circuit miles of transmission lines.
- New York Independent System Operator (NYISO) is a nonprofit organization that oversees wholesale electricity markets serving 19.2 million customers. NYISO manages a nearly 11,000-mile network of high-voltage transmission lines.
- PJM Interconnection (PJM) is comprised of more than 700 members including power generators, transmission owners, electricity distributors, power marketers, and large industrial customers and serves 13 states and the District of Columbia.
- Southwest Power Pool (SPP) is comprised of 63 members serving 6.2 million households in nine states and has 48,930 miles of transmission lines.
- Midcontinent Independent System Operator (MISO) is a nonprofit organization with over 145,000 megawatts of installed generation. MISO has over 57,600 miles of transmission lines and serves 13 states and one Canadian province.
- ISO New England (ISO-NE) is a regional transmission organization serving six states in New England. The system is comprised of more than 8,000 miles of high-voltage transmission lines and over 300 generators.