

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D. C. 20426

OFFICE OF THE GENERAL COUNSEL

OCT 29 2019

Dominic Mancini
Acting Administrator
Office of Information and Regulatory Affairs
Office of Management and Budget
725 17th Street NW
Washington, D.C. 20503

Re: Emergency Extension of the FERC-516A Information Collection

Dear Mr. Mancini,

Under the Paperwork Reduction Act (PRA) and OMB's implementing regulations at 5 CFR 1320.13, the Federal Energy Regulatory Commission (Commission or FERC) is requesting a three-month emergency extension (from October 31, 2019, to January 31, 2020) for FERC-516A (Standardization of Small Generator Interconnection Agreements and Procedures, OMB Control No. 1902-0203). We are requesting an OMB decision by October 30, 2019, on this request for emergency extension of FERC-516A.

Continuation of the FERC-516A is essential to the mission of the Commission and to enabling efficient, fair, and less costly and burdensome business arrangements between small generators and transmission providers. Without this information, interconnection agreements will likely be more expensive, delayed, or cancelled, and transmission providers may unduly favor their own generation, causing public harm and increased rates. We are requesting this emergency extension to ensure the critical information requirements in FERC-516A remain valid during completion of the normal PRA renewal process that cannot be completed by October 31, 2019, due to an unanticipated event.

Interconnection of generation to the transmission system plays a crucial role in bringing generation into the market to meet the needs of electricity customers. However, prior to 2005, requests for interconnection had resulted in complex technical disputes about feasibility, cost, and cost responsibility of the proposed interconnection. To address some of these issues, Commission Order No. 2006 directed transmission providers to include Commission-approved, standard, pro-forma interconnection procedures (small generator interconnection procedures or SGIP) and a single, uniformly applicable interconnection agreement (small generator interconnection agreement or SGIA) in their open-access transmission tariffs (OATTs). Order No. 2006 (including the FERC-516A information collection requirements) implemented a simple process for Small Generating Facilities to interconnect with the nation's electric grid.

The FERC-516A and related procedures and agreement: (1) reduce interconnection costs and time both for the owners of Small Generating Facilities and for Transmission Providers; (2) limit opportunities for Transmission Providers to unduly favor their own generation; (3) facilitate market

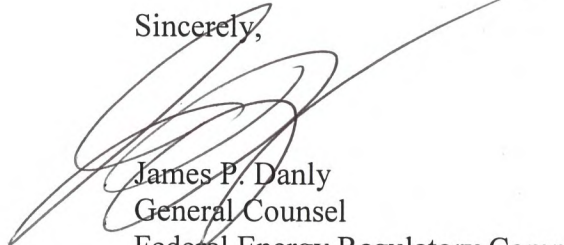
entry for generation competitors; and (4) encourage needed investment in generation and transmission infrastructure.

The Commission has a pending Docket No. IC19-40 which solicits public comments on the three-year PRA renewal request for the FERC-516A. The PRA notice was published in the Federal Register on September 4, 2019 (84 FR 46506), with public comments due November 4, 2019. The emergency extension requested here will ensure the existing critical information requirements in FERC-516A continue during completion of the normal PRA renewal process.

The enclosure provides additional background on the related responsibilities of the Commission and FERC-516A.

Please have your staff contact Ellen Brown (202-502-8663) or Jolinda Murray (202-502-8342) if they need additional information.

Sincerely,



James P. Danly
General Counsel
Federal Energy Regulatory Commission

cc: Elke Hodson Marten, OMB
Christina Handley, FERC CIO

Enclosure

Background on the Commission's Responsibility and FERC-516A

Under sections 205 and 206 of the Federal Power Act (FPA),¹ the Commission is charged with ensuring just and reasonable electric transmission rates and charges as well as ensuring that jurisdictional providers do not subject any person to any undue prejudice or disadvantage.

The lack of consistent and readily accessible terms and conditions for connecting generation resources to the grid led to a large number of disputes between jurisdictional transmission providers and small generators² in the late 1990s and early 2000s. In response, the Commission directed transmission providers to include Commission-approved, standard, *pro-forma* interconnection procedures (small generator interconnection procedures or SGIP) and a single, uniformly applicable interconnection agreement (small generator interconnection agreement or SGIA) in their open-access transmission tariffs (OATTs). The requirement to create and file these documents was first put in place on August 12, 2005, by Commission Order No. 2006³ and is codified in 18 CFR 35.28(f).

Since the issuance of Order No. 2006, many aspects of the energy industry have changed, including the growth of small generator interconnection requests,⁴ particularly solar photovoltaic (PV) installations, driven in part by state renewable energy goals and policies.

¹ 16 U.S.C. §§ 824d, 824e.

² "Small generators" are generating facilities having a capacity of no more than 20 megawatts (MW).

³ *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)

⁴ *See, e.g., Cal. Indep. Sys. Operator Corp.*, 133 FERC ¶ 61,223, at P 3 (2010) (stating that an increasing volume of small generator Interconnection Requests had created inefficiencies); *Pacific Gas & Elec. Co.*, 135 FERC ¶ 61,094, at P 4 (2011) (stating that increased small generator Interconnection Requests resulted in a backlog of 170 requests over three years); *PJM Interconnection, LLC*, 139 FERC ¶ 61,079, at P 12 (2012) (stating that smaller projects comprised 66 percent of recent queue volume).

FERC-516A (Standardization of Small Generator Interconnection Agreements and Procedures)

The FERC-516 was instituted in August 2005 to reduce the burden on small entities, namely the new small generators seeking interconnection with the transmission grid. Prior to beginning this collection, small generators would follow case-by-case interconnection procedures for each interconnection they sought. They would have to draft and submit customized applications to transmission providers.

Small generators have benefitted from having the FERC-516A because they can use the internet and the Commission's eTariff viewer to access pro forma interconnection documents for each transmission system. Transmission providers have benefitted because they no longer need to negotiate and process small generator interconnection requests using case-by-case documentation.

If the FERC-516A information and pro forma language were not included in transmission provider OATTs, small generators and transmission providers would return to the more costly and cumbersome procedure of obtaining and providing information, and then making filings with the Commission, on a case-by-case basis for each individual interconnection.

The FERC-516A information is essential to both the Commission and to industry. Due to unexpected human resource issues, the normal PRA renewal process for FERC-516A cannot be completed before October 31, 2019. To prevent public harm and to ensure interconnections continue to be made timely and in a just and reasonable manner in compliance with the Federal Power Act, it is critical that the FERC-516A remain valid until completion of the normal PRA renewal process.