

FERC-516A (OMB Control No. 1902-0203)  
(Renewal in Docket No. IC19-40)

**Supporting Statement for  
FERC-516A (Standardization of Small Generator  
Interconnection Agreements and Procedures)**

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve for three years the FERC-516A “Standardization of Small Generator Interconnection Agreements and Procedures.” The FERC-516A is an existing information collection; no changes to the reporting requirements are being made at this time.

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

Under sections 205 and 206 of the Federal Power Act (FPA),<sup>1</sup> 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 resources to the grid led to a large number of disputes between jurisdictional transmission providers and small generators<sup>2</sup> 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 August 12, 2005, by Commission Order No. 2006<sup>3</sup> and is codified in 18 CFR 35.28(f).

Since the issuance of Order No. 2006, many aspects of the energy industry have changed,

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<sup>1</sup> 16 U.S.C. §§ 824d, 824e.

<sup>2</sup> “Small generators” are generating facilities having a capacity of no more than 20 megawatts (MW).

<sup>3</sup> *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, FERC Stats. & Regs. ¶ 31,180 (2005), *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)

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including the growth of small generator interconnection requests,<sup>4</sup> particularly solar photovoltaic (PV) installations, driven in part by state renewable energy goals and policies. For example, approximately 3,300 MW of grid-connected PV capacity were installed in the U.S. in 2012,<sup>5</sup> compared to 79 MW in 2005, the year Order No. 2006 was issued.<sup>6</sup>

In February 2012, pursuant to sections 205 and 206 of the FPA and Rule 207 of the Commission's Rules of Practice and Procedures,<sup>7</sup> and noting that the Commission encouraged stakeholders to submit proposed revisions to the regulations set forth in Order No. 2006, the Solar Energy Industries Association (SEIA) filed a Petition to Initiate Rulemaking (Petition).<sup>8</sup>

The Petition requested the Commission revise the *pro forma* SGIA and SGIP set forth in Order No. 2006. SEIA asserted that the *pro forma* SGIP and SGIA as applied to small solar generation were no longer just and reasonable, had become unduly discriminatory, and presented unreasonable barriers to market entry.<sup>9</sup> SEIA noted that its Petition would apply exclusively to solar electric generation due to its unique characteristics.

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<sup>4</sup> 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).

<sup>5</sup> Sherwood, Larry, U.S. Solar Market Trends 2012, 4, <http://www.irecusa.org/wp-content/uploads/2013/07/Solar-Report-Final-July-2013-1.pdf>.

<sup>6</sup> U.S. Solar Market Insight Report, 2012 Year in Review, Executive Summary Table 2.1, <http://www.seia.org/research-resources/us-solar-market-insight-2012-year-in-review>.

<sup>7</sup> 18 C.F.R. § 385.207.

<sup>8</sup> SEIA Petition at 5 (citing Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 118). Docket No. RM12-10-000, <https://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12895647>.

<sup>9</sup> SEIA Petition at 12.

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On February 28, 2012, the Commission issued a Notice of Petition for Rulemaking in Docket No. RM12-10-000 seeking comments on the Petition and held a technical conference to discuss issues related to the Petition.

The Commission issued Order No. 792<sup>10</sup> (on 11/22/2013, in Docket No. RM13-2) to revise the *pro forma* SGIP and the *pro forma* SGIA to provide the interconnection customer with more flexibility and options when seeking to interconnect. The FERC-516A as modified by Order No. 792:

- (1) incorporated provisions that provided an Interconnection Customer with the option of requesting from the Transmission Provider a pre-application report providing existing information about system conditions at a possible Point of Interconnection;
- (2) revised the 2 megawatt (MW) threshold for participation in the Fast Track Process included in section 2 of the pro forma SGIP;
- (3) revised the customer options meeting and the supplemental review following failure of the Fast Track screens so that the supplemental review is performed at the discretion of the Interconnection Customer and includes minimum load and other screens to determine if a Small Generating Facility may be interconnected safely and reliably;
- (4) revised the pro forma SGIP Facilities Study Agreement to allow the Interconnection Customer the opportunity to provide written comments to the Transmission Provider on the upgrades required for interconnection;
- (5) revised the pro forma SGIP and the pro forma SGIA to specifically include energy storage devices; and
- (6) clarified certain sections of the pro forma SGIP and the pro forma SGIA.

With these modifications, the Commission concluded that the package of reforms adopted in Order No. 792 would reduce the time and cost to process small generator interconnection requests for Interconnection Customers and Transmission Providers, maintain reliability, increase energy supply, and remove barriers to the development of new energy resources.

In Order No. 828<sup>11</sup> (issued 7/21/2016 in Docket RM16-8-000), FERC revised the *pro forma* SGIA originally set forth in Order No. 2006 and revised in Order No. 792. In Order No. 828, the Commission modified the *pro forma* SGIA pursuant to its authority under section

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<sup>10</sup> *Small Generator Interconnection Agreements and Procedures*, Order No. 792, 145 FERC ¶ 61,159 (2013), *clarifying*, Order No. 792-A, 146 FERC ¶ 61,214 (2014).

<sup>11</sup> *Requirements for Frequency and Voltage Ride Through Capability of Small Generating Facilities*, Order No. 828, 156 FERC ¶ 61,062 (2016).

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206 of the FPA to ensure that rates, terms and conditions of jurisdictional service remain just and reasonable and not unduly discriminatory or preferential. The adopted revisions required small generating facilities interconnecting through the SGIA to have the capability to ride through abnormal frequency and voltage events and not disconnect during such events. The Commission modified the *pro forma* SGIA to address the Commission's concerns that it would be unduly discriminatory to impose these requirements on large generating facilities and not small generating facilities. The Commission believed that small generating facilities should have ride through requirements comparable to large generating facilities. This necessitated a one-time filing in Year 1 after implementation of Order No. 828.

The FERC-516A policies, regulations, and information collection requirements are necessary because they set and maintain a standard in transmission provider OATTs for their consistent consideration and processing of small generator interconnection requests.

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

Transmission providers and small generators seeking interconnection to the power grid use the *pro forma* policies and procedures included in the FERC-516A.

If the FERC-516A policies, procedures and *pro forma* language were not included in transmission provider OATTs, the reliability of the grid could be compromised. The absence of ride through requirements increases the risk that an initial voltage or frequency disturbance may cause a significant number of small generators to trip across an interconnection.

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

All transmission providers must include the FERC-516A *pro forma* small generator interconnection procedures and agreements as part of their tariff. The tariffs are electronically filed, and the FERC-516A materials in the tariffs are available to the public on the internet through FERC's eTariff viewer.<sup>12</sup> The easy electronic access to FERC-516A materials minimizes the work interconnecting generators must complete to request

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<sup>12</sup> More information on eTariff is posted at <http://www.ferc.gov/docs-filing/etariff.asp>.

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interconnection. The uniformity of the materials and policies eliminates guess work and the need to start from scratch when a small generator and a transmission provider begin working to interconnect a resource. All compliance filings from transmission providers to adopt Commission orders related to the FERC-516A are reviewed to ensure all tariffs are current and fully consistent with the Commission's FERC-516A procedures and policies. The compliance filings and agency action on the filings are also available on [ferc.gov](http://ferc.gov) in eLibrary.

**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 FERC-516A consists of language that transmission providers must incorporate into their tariffs to standardize their interconnection processes. Each transmission provider's FERC-516A is consistent with FERC regulations. Small generators compile project-specific information within the FERC-516A processes. Nevertheless, each interconnection request is unique to the transmission provider system and the customer seeking access to the grid. There are specifications associated with each generation resource and the interconnection point. There are no similar sources for any of this information that a customer or transmission provider could use or modify to achieve interconnection in a standard way that is consistent with FERC regulatory requirements.

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

This collection was instituted in August 2005 to reduce existing burden on small entities, namely the small generator seeking new transmission interconnection. 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 because they can access *pro forma* interconnection documents for each transmission system through the internet and Commission's eTariff viewer. Transmission providers have benefitted because they no longer need to negotiate and process small generator interconnection requests on a case-by-case basis. Typical information needed for interconnection from each small generator seeking interconnection is asked for uniformly.

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

Jurisdictional transmission providers make an initial compliance filing to implement the standard provisions of FERC-516A policies and procedures. Afterwards, transmission providers must only file any nonconforming agreements they must undertake to interconnect a generator. The FERC-516A policies and procedures may be updated, if needed, to reflect system changes and/or administrative organizational changes. It is not possible to require the FERC-516A be completed less frequently because the filings occur only as necessary so the transmission provider's OATT is up-to-date and accurate. Interconnection requests through the FERC-516A policies and procedures occur when a generator seeks interconnection, not on a prescribed schedule.

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

There are no special circumstances.

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

The Commission published a 60-day notice in the Federal Register (84 FR 46506, September 4, 2019), requesting public comments. The Commission received no public comments.

The Commission published a 30-day notice in the Federal Register (84 FR 61050, November 12, 2019) providing the public another opportunity to comment.

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

No payments or gifts are made to respondents.

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

The FERC-516A information submitted to the Commission is public and, therefore, is not

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considered confidential. Specific requests for confidential treatment to the extent permitted by law will be considered pursuant to 18 CFR 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.**

There are no questions of a sensitive nature in the reporting requirements.

**12. ESTIMATED BURDEN OF THE COLLECTION OF INFORMATION**

The estimated burden<sup>13</sup> and cost<sup>14</sup> follow.

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Requirements <sup>15</sup>	Number of Respondents Annually (1)	Annual Number of Responses Per Respondent (2)	Total Number of Responses (rounded) (1) * (2) = (3)	Average Burden & Cost (\$) Per Response (4)	Total Annual Burden Hours & Total Annual Cost (\$) (3) * (4) = (5)	Cost per Respondent (\$) (5) ÷ (1)
Maintenance of Documents - Transmission Providers	46	1	46	1 hr.; \$84.38	46 hrs.; \$3,881	\$84.38

<sup>13</sup> “Burden” is the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. For further explanation of what is included in the information collection burden, refer to Title 5 Code of Federal Regulations Part 1320.

<sup>14</sup> The hourly estimates for wages plus benefits are derived from the Bureau of Labor Statistics (at [http://bls.gov/oes/current/naics3\\_221000.htm](http://bls.gov/oes/current/naics3_221000.htm) and <http://www.bls.gov/news.release/ecec.nr0.htm>). For wages plus benefits, we are using \$84.38 per hour, which is the average for an attorney (occupation code 23-0000, \$142.86/hour), an electrical engineer (occupation code 17-2071, \$68.17/hour), and administrative staff (occupation code 43-0000, \$42.11/hour).

<sup>15</sup> All requirements for transmission providers are mandatory. All requirements for interconnection customers are voluntary.

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Filing of Agreements - Transmission Providers	95	1	95	25 hrs.; \$2,109.50	2,375 hrs.; \$200,403	\$2,109.50
Pre-Application Report - Interconnection Customers <sup>16</sup>	800	1	800	1 hr.; \$84.38	800 hrs.; \$67,504	\$84.38
Pre-Application Report - Transmission Providers	142	5.63	800	2.5 hrs.; \$210.95	2,000 hrs.; \$168,760	\$1,188.45
Supplemental Review - Interconnection Customers	500	1	500	0.5 hr.; \$42.19	250 hrs.; \$21,095	\$42.19
Supplemental Review - Transmission Providers	142	3.52	500	20 hrs.; \$1,687.60	10,000 hrs.; \$843,800	\$5,942.25
Review of Required Upgrades - Interconnection Customers	250	1	250	1 hr.; \$84.38	250 hrs.; \$21,095	\$84.38
Review of Required Upgrades - Transmission Providers	142	1.76	250	2 hrs.; \$168.76	500 hrs.; \$42,190	\$297.11
<b>TOTAL</b>			3,241		16,221 hrs.; \$1,368,728	

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

There are no annual costs to respondents other than those associated with burden hours discussed in questions 12 and 15.

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

The estimated annualized cost to the Federal Government follows.

	FERC Staff Time	Estimated Annual Federal Cost
Analysis and Processing of	900 hrs.	\$72,000

<sup>16</sup> We assume each request for a pre-application report corresponds with one Interconnection Customer.

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filings <sup>17</sup>		
PRA <sup>18</sup> Administrative Cost <sup>19</sup>		\$4,832
<b>FERC Total</b>		<b>\$76,832</b>

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

The one-time filings required by Order No. 828 in Docket No. RM16-8-000 had an estimated 118 responses and 885 hours (which were administratively averaged [for submittal to OMB] over Years 1-3, giving an average of 295 hours per year). Those one-time filings have been completed, and the associated burden is being removed from FERC-516A as a program decrease.

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<sup>17</sup> The cost is based upon FERC's 2019 annual average salary plus benefits of \$167,091 (or \$80/hour).

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

<sup>19</sup> The PRA Administrative Cost is 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. This average annual cost includes requests for extensions, all associated, other changes to the collection, and required publications in the Federal Register. The estimate was updated 7/2019.

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<b>FERC-516A</b>	<b>Total Request</b>	<b>Previously Approved</b>	<b>Change due to Adjustment in Estimate</b>	<b>Change Due to Agency Discretion</b>
Annual Number of Responses	3,241	3,359	0	-118
Annual Time Burden (Hr.) <sup>20</sup>	16,221	16,516	0	-295
Annual Cost Burden (\$)	0	0	0	0

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

The Commission does not publish any results from this collection.

## **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.

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<sup>20</sup>For administrative purposes for the original submittal to OMB, the additional one-time 885 burden hours (in Year 1) were averaged over Years 1-3, giving an average burden per year of 295 hours. (The filings have been completed.) After Year 3, the additional 295 hours are being removed.