

Supporting Statement for

FERC-516A (Standardization of Small Generator Interconnection Agreements and Procedures) Modification in accordance with RM22-14-001

The Federal Energy Regulatory Commission (Commission or FERC) requests that the Office of Management and Budget (OMB) review and approve the modification of the information collection requirements in *FERC-516A Standardization of Small Generator Interconnection Agreements and Procedures* (OMB Control No. 1902-0203, expires 11/30/2026), for a three-year period. This collection is an existing information collection and is being modified by the order on rehearing in Docket No. RM22-14-001.

1. CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY

Section 206 of the Federal Power Act (FPA), 16 U.S.C. 824e, obligates the Commission to remedy unjust, unreasonable, and unduly discriminatory or preferential rates, terms, and conditions of transmission service. Generator interconnection, which is the subject of RM22-14-001, is a critical component of open access transmission service.

This information collection request involves Commission implementation of FPA section 206 via:

- 18 CFR 35.28 (“Non-Discriminatory Open Access Transmission Tariff”);
- The *pro forma* Small Generator Interconnection Procedures (SGIP); and
- The *pro forma* Small Generator Interconnection Agreement (SGIA).

The Commission’s regulations at 18 CFR 35.28 (2023) require certain types of entities to have on file an Open Access Transmission Tariff (OATT) that contains minimum terms and conditions of non-discriminatory transmission service. This requirement applies to all public utilities¹ that own, control, or operate facilities used for transmitting electric energy in interstate commerce. Public utilities that are required to have an OATT on file with the Commission must include the *pro forma* SGIP, and *pro forma* SGIA in their OATT. Other provisions in section 35.28 apply to non-public utilities, but only if they seek voluntary compliance with jurisdictional transmission tariff reciprocity conditions. Non-public utilities are not affected by this information collection request.

The Commission originally developed the *pro forma* Large Generator Interconnection Procedures and *pro forma* Large Generator Interconnection Agreement in Order No. 2003, determining that² standard interconnection procedures and agreements are needed in order to: (1) limit opportunities for transmission providers to favor their own generation; (2) facilitate

¹ As defined at 16 U.S.C. 824(e), a “public utility” is any person who owns or operates facilities subject to the jurisdiction of the Commission under Subchapters II and III of the FPA.

market entry for generation competitors by reducing interconnection costs and time; and (3) encourage needed investment in generation and transmission infrastructure.³ Similarly, the Commission adopted standard procedures and agreements for interconnecting generators with a capacity of 20 MW or less in Order No. 2006.⁴ Order No. 2006 required all public utilities that own, control, or operate facilities used for transmitting electric energy in interstate commerce to have OATTs on file that include standard procedures and a standard agreement (SGIP and SGIA) for interconnecting generators of 20 megawatts (MW) and smaller.

Since the issuance of Order Nos. 2003 and 2006, the electricity sector has transformed significantly. The growth of new resources seeking to interconnect to the transmission system and the differing characteristics of those resources have created new challenges for the generator interconnection process. These new challenges are creating large backlogs in the queues of interconnection customers awaiting service (interconnection queues) and uncertainty regarding the cost and timing of interconnecting to the transmission system, increasing costs for consumers. Backlogs in the generator interconnection process, in turn, can create reliability issues as needed new generating facilities are unable to come online in an efficient and timely manner. Therefore, the Commission issued Order No. 2023⁵ on July 28, 2023 to reform the Commission's standard generator interconnection procedures and standard generation interconnection agreement to ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner, thereby ensuring that rates, terms, and conditions for Commission-jurisdictional services are just and reasonable and not unduly discriminatory or preferential.⁶ In response to requests for rehearing and/or clarification, and as permitted by section 313(a) of the FPA,⁷ the Commission is modifying the discussion in Order No. 2023, setting aside the order, in part, and clarifying the order.

² *Standardization of Generator Interconnection Agreements & Procs.*, Order No. 2003, 104 FERC ¶ 61,103 (2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220, *order on reh'g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh'g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd sub nom. Nat'l Ass'n of Regul. Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

³ Order No. 2003, 104 FERC ¶ 61,103 at P 12.

⁴ *Standardization of Small Generator Interconnection Agreements & Procs.*, Order No. 2006, 111 FERC ¶ 61,220, *order on reh'g*, Order No. 2006-A, 113 FERC ¶ 61,195 (2005), *order granting clarification*, Order No. 2006-B, 116 FERC ¶ 61,046 (2006).

⁵ *Improvements to Generator Interconnection Procs. and Agreements*, Order No. 2023, 184 FERC ¶ 61,054 (2023).

⁶ Order No. 2023 also added new section (f)(1) to 18 CFR section 35.28.

⁷ 16 U.S.C. 825(a) ("Until the record in a proceeding shall have been filed in a court of appeals, as provided in subsection (b), the Commission may at any time, upon reasonable notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any finding or order made or issued by it under the provisions of this chapter.").

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

The rehearings and clarifications granted in this order on rehearing continue to ensure that interconnection customers are able to interconnect to the electric transmission system in a reliable, efficient, transparent, and timely manner. The order on rehearing requires all public utilities to modify their tariffs and jurisdictional agreements to comply with the Commission's revised standard generator interconnection procedures and agreements. The revisions would result in one-time information collection activities related to changing public utilities' tariffs and jurisdictional agreements in Year 1, as relevant to FERC-516A. The Commission estimates no ongoing information collection burden resulting from the requirement of this order on rehearing.

One-Time Activities Due to Revisions to Standard Small Generator Interconnection Procedures and Agreements in Docket No. RM22-14-001

The following modifications will result in one-time information collection activities related to FERC-516A:

- **Incorporating Enumerated Alternative Transmission Technologies into the Generator Interconnection Process:** Adopt tariff revisions to clarify the performance standards to which transmission providers must conduct evaluations of alternative transmission technologies.
- **Ride Through Requirements:** Clarify disturbance ride through requirements for inverter-based resources.

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

Commission staff expects that public utilities will revise their tariffs in accordance with the order on rehearing in this docket by filing electronically, using eTariff (described at <https://www.ferc.gov/ferc-online/etariff>). The tariffs are available to the public on the internet through the Commission's eTariff viewer. The compliance filings and agency action on the filings are also publicly available on [ferc.gov](https://www.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 Commission periodically reviews filing requirements concurrent with OMB review or as the Commission deems necessary to eliminate duplicative filings and to minimize the filing burden.

The Commission is unaware of any other source of this information that is readily available. Therefore, no duplicate information is available that would serve as a substitute for this information and for performing oversight and review responsibilities under applicable legislation.

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

The collection of this data imposes the least possible burden for small and large entities while collecting the information the Commission deems necessary to perform its statutory responsibilities.

In RM22-14-001, under SBA's size standards,⁸ transmission providers, including Regional Transmission Organizations and Independent System Operators (RTOs/ISOs), fall under the category of Electric Bulk Power Transmission and Control (NAICS code 221121). In that category, the threshold for a small entity is under 950 employees (including the entity and its associates).⁹

We estimate that there are 44 transmission providers affected by the reforms proposed in this order on rehearing. Furthermore, we estimate that 6 of the 44 total transmission providers, approximately 14% (rounded), are small entities.

We estimate that one-time costs (in Year 1) associated with the reforms required by this order on rehearing relevant to information collection FERC-516A for one transmission provider would be \$200. Following Year 1, we estimate no annual ongoing costs. According to SBA guidance, the determination of significance of impact "should be seen as relative to the size of the business, the size of the competitor's business, and the impact the regulation has on larger competitors."¹⁰ We do not consider the estimated cost to be a significant economic impact.

⁸ 13 CFR 121.201 (2022).

⁹ The RFA definition of "small entity" refers to the definition provided in the Small Business Act, which defines a "small business concern" as a business that is independently owned and operated and that is not dominant in its field of operation. The Small Business Administration's regulations define the threshold for a small Electric Bulk Power Transmission and Control entity (NAICS code 221121) to be 950 employees ("the maximum allowed for a concern and its affiliates to be considered small"). See 13 CFR 121.201 (2022); see also 5 U.S.C. 601(3) (citing to Section 3 of the Small Business Act, 15 U.S.C. 632).

¹⁰ U.S. Small Business Administration, *A Guide for Government Agencies How to Comply with the Regulatory Flexibility Act*, at 18 (Aug. 2017), <https://cdn.advocacy.sba.gov/wp-content/uploads/2019/06/21110349/How-to-Comply-with-the-RFA.pdf>.

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

If the Commission conducted these collections less frequently or did not conduct them at all, the Commission would be unable to fulfill its statutory obligation to ensure that rates, terms, and conditions of Commission-jurisdictional services are just and reasonable and not unduly discriminatory or preferential.

The revisions adopted by this order on rehearing are necessary because, absent reform, the current interconnection process will continue to cause interconnection queue backlogs, longer development timelines, and increased uncertainty regarding the cost and timing of interconnecting to the transmission system. These backlogs and delays, and the resulting timing and cost uncertainty, hinder the timely development of new generation and thereby stifle competition in the wholesale electric markets, resulting in rates, terms, and conditions that are unjust, unreasonable, and unduly discriminatory or preferential.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES RELATING TO THE INFORMATION COLLECTION

This collection contains no special circumstances.

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

The Commission's proposed and final rules, and orders on rehearing, are published in the Federal Register, thereby providing the public, including public utilities and licensees, state commissions, and Federal agencies, an opportunity to submit data, views, comments or suggestions concerning the proposed collections of data.

On June 16, 2022, the Commission published the Notice of Proposed Rulemaking (NOPR) on eLibrary. The Office of the Federal Register published the NOPR in the Federal Register on July 5, 2022.¹¹ Numerous comments from the public were received, as summarized and addressed in Order No. 2023. The Commission's responses to commenters' suggestions and arguments are provided in the Commission Determination subsections of Order No. 2023, organized topically.

The Office of the Federal Register published Order No. 2023 in the Federal Register on September 6, 2023.¹² Numerous requests for rehearing and clarification were received, as summarized and addressed in the order on rehearing. The Commission's responses to those requests are provided in the Commission Determination subsections of the order on rehearing (at

¹¹ 87 FR 39934.

¹² 88 FR 61014.

Docket no. RM22-14-000), organized topically. None of the requests for rehearing or clarification commented on this specific information collection.

9. EXPLAIN ANY PAYMENT OR GIFTS TO RESPONDENTS

The Commission makes no payments or gifts to respondents as part of this collection.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

The Commission does not consider the information collected to be confidential.

If an entity chooses to seek confidential treatment of the information, it must submit a request for the Commission to treat this information as confidential and non-public, consistent with 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

The collection does not contain any questions of a sensitive nature.

12. ESTIMATED BURDEN OF COLLECTION OF INFORMATION

The currently approved information collection burden is:

FERC-516A:

Number of responses: 3,337

Hourly Burden: 17,642

The information collection burden of the revisions adopted in the order on rehearing is explained in further detail in the following table, which includes agency adjustments to number of responses and hourly burden (as described in question 15):

Our estimate of the number of reporting entities for the order on rehearing is the same as that estimated in Order No. 2023. As such, we estimate that 44 transmission providers, including regional transmission organizations and independent system operators, will be subject to both the rulemaking and the rehearing order. The burden¹³ and cost estimates below are based on the initial need for transmission providers to modify their tariffs and jurisdictional agreements in Year 1 to comply with the Commission's revised standard generator interconnection procedures

¹³ "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 5 CFR 1320.3.

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and agreements. For each of these revisions, we estimate no ongoing information collection burden because there is either no information collection aspect of the reform, or the requirements would merely supplant existing ones.

We estimate that the reforms in this order on rehearing would affect the burden and cost of FERC-516A as follows.

| Changes Due to Order on Rehearing in Docket No. RM22-14-001 | | | | | |
|---|----------------------------------|--|--|---|---|
| Reforms | Number of Respondents (1) | Annual Number of Responses Per Respondent (2) | Total Number of Responses (Rounded) (1) * (2) = (3) | Average Burden (Hr.) & Cost (\$) Per Response¹⁴ (4) | Total Annual Burden Hours & Total Annual Cost (\$) (Rounded) (3) * (4) = (5) |
| FERC-516A | | | | | |
| Ride Through Requirements | 44 (TPs) | Year 1: 1 Ongoing: 0 | Year 1: 44 Ongoing: 0 | Year 1: 1 hr; \$100 Ongoing: 0 | Year 1: 44 hr; \$4,400 Ongoing: 0 |
| Incorporating Enumerated Alternative Transmission Technologies into the Generator Interconnection Process | 44 (TPs) | Year 1: 1 Ongoing: 0 | Year 1: 44 Ongoing: 0 | Year 1: 1 hr; \$100 Ongoing: 0 | Year 1: 44 hr; \$4,400 Ongoing: 0 |
| Total New Burden for FERC-516A (due to Docket No. RM22-14-001)¹⁵ | | | Year 1: 88 responses Ongoing: 0 | | Year 1: 88 hr; \$8,800 Ongoing: 0 |

13. ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS

There are no non-labor start-up or other non-labor costs.

¹⁴ Commission staff estimate that respondents' hourly wages plus benefits are comparable to those of FERC employees (2024). Therefore, the 2024 FERC hourly cost estimate in this analysis is \$100 per hour (\$207,786 per year).

¹⁵ This one-time burden associated with the compliance filing was divided by 3 in OMB's ROCIS system since the request for approval is for 3 years.

Total Capital and Start-up Cost: \$0
Total Operation, Maintenance, and Purchase of Services: \$0

All of the costs associated with burden hours (labor) are described in Questions #12 and #15 in this supporting statement.

14. ESTIMATED ANNUALIZED COST TO FEDERAL GOVERNMENT

The estimates of the cost for analysis and processing of filings are based on salaries and benefits for professional and clerical support. The estimated cost represents staff analysis, decision-making, and review of any actual filings submitted in response to the information collection.

The PRA Administrative Cost is a Federal Cost associated with preparing, issuing, and submitting materials necessary to comply with the Paperwork Reduction Act (PRA)¹⁶ 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, other changes to the collection, and publications in the Federal Register.

The chart below represents the existing estimated annualized cost to the federal government for FERC-516A.

| FERC-516A | Number of Employees (Full-Time Equivalents [FTE]) | Estimated Annual Federal Cost |
|---|---|-------------------------------|
| Analysis and Processing of Filings ¹⁷ | 0.84 ¹⁸ | \$174,540.24 |
| PRA ¹⁹ Administrative Cost ²⁰ | | \$8,396 |
| FERC Total | | \$182,936.24 |

¹⁶ 5 CFR 1320.

¹⁷ FERC's 2024 average wages plus benefits for one FTE (full-time equivalent) is \$207,786 per year.

¹⁸ An FTE is 2,080 hours, estimating 1,750 hours to complete Analysis and Processing of Filings (1,750/2,080 = 0.84).

¹⁹ Paperwork Reduction Act of 1995 (PRA).

²⁰ 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.

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

All of the PRA activities resulting from the revisions in this order on rehearing would be program changes that the Commission has determined will assist in fulfilling its statutory obligations under FPA section 206. The revisions in the order on rehearing are intended to remedy issues with the Commission’s standard generator interconnection procedures and agreements such that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner, thereby ensuring that rates, terms, and conditions for Commission-jurisdictional services remain just and reasonable and not unduly discriminatory or preferential.

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The PRA activities in the order on rehearing in Docket No. RM22-14-001 result in an increase in the total burden of FERC-516A by 88 responses and 88 hours. The burden hours are increasing due to the requirement for public utilities to update their tariffs and jurisdictional agreements to comply with the Commission’s revised standard generator interconnection procedures and agreements. To account for the adoption of the new requirements, there is a new information collection that captures the one-time costs associated with updating the procedures and agreements and submitting the compliance filing.

| FERC-516A | Total Request | Previously Approved | Change Due to Adjustment in Estimate | Change Due to Agency Discretion |
|----------------------------|----------------------|----------------------------|---|--|
| Annual Number of Responses | 3,425 | 3,337 | 0 | +88 |
| Annual Time Burden (Hr.) | 17,730 | 17,642 | 0 | +88 |
| Annual Cost Burden (\$) | 0 | 0 | 0 | 0 |

16. TIME SCHEDULE FOR THE PUBLICATION OF DATA

There are no publication plans for the collection of information. Although some reforms require the posting of information, this will not be done by the Commission.

17. DISPLAY OF THE EXPIRATION DATE

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The OMB expiration dates are posted on
<https://www.ferc.gov/enforcement-legal/legal/information-collections>.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT

There are no exceptions.