#####  February 16, 2022

**TO:** NAESB Advisory Council

**FROM:** Caroline Trum, NAESB Director

**RE: Energy Storage and Distributed Energy Resources Update**

As part of standards development efforts initiated last year, the WEQ Business Practices Subcommittee (BPS) continues to meet on a monthly basis to develop information and reporting requirement related business practices regarding the wholesale electric market participation of energy storage resources and distributed energy resources, both in front and behind the meter, in support of the industry’s implementation of FERC Orders No. 841 and 2222.  Over the past several meetings, the WEQ BPS has focused its efforts on the identification of a common set of information requirements to support the registration of distributed energy resources and distributed energy resource aggregations with an ISO/RTO.  Subsequent to an informal comment period on a use case that identified potentially relevant data elements related to locational information and operational characteristics, the WEQ BPS participants have now started defining those data elements and intend to draft standards to support the communication of such data between relevant parties.

Following the completion of the draft standards in this area, the WEQ BPS participants will evaluate if there are other use cases regarding commercial interactions relevant to the participation of distributed energy resources and battery/energy storage within the wholesale electric marketplace that could be supported through the development of business practices.  Previous potential areas of development identified by subcommittee participants include standards to support market programs/products through the development of common categorizations/attributes for grid services as well as various commercial communications between battery/energy storage asset owners and distributed energy resource owners/aggregators.  Such commercial information exchanges could include interactions between a distributed energy resource aggregator and an individual resource or system operator and/or interactions between a battery/energy storage owner and system operator/other resources, such as those used in charging activities.  The WEQ BPS has developed a work plan to guide standards development and expects to finalize a recommendation during the 3rd Quarter 2022.

Early in the standards development process, WEQ BPS participants noted that batteries/energy storage and distributed energy resources may be an area of overlap regarding reliability and commercial considerations.  To support the subcommittee’s efforts, NAESB staff regularly communicates with NERC staff regarding standards development as well as NERC’s efforts in this area.  Recently, as a result of these coordination activities, NERC staff provided a working document developed by NERC containing common terms and definitions related to distributed energy resources.  The WEQ BPS preliminarily reviewed this document and will consider the information in developing any NAESB defined terms that may be needed to support the business practices.