##### February 16, 2021

**TO:** All Interested Parties

**FROM:** Elizabeth Mallett, NAESB Deputy Director

**RE:** **Wholesale Electric Quadrant (WEQ) Energy Storage & Distributed Energy Resources Activities**

On February 25, 2021, the WEQ Business Practices Subcommittee (BPS) will hold a kick-off meeting to consider developing or modifying standards for information and reporting requirements to support energy storage and distributed energy resources, in front of and behind the meter. Added to the 2021 WEQ Annual Plan by the NAESB Board of Directors, this item is intended to provide support to the industry in the implementation of the September 17, 2020 [FERC Order No. 2222](https://www.ferc.gov/sites/default/files/2020-09/E-1_0.pdf) and the February 15, 2018 [FERC Order No. 841](https://cms.ferc.gov/sites/default/files/whats-new/comm-meet/2018/021518/E-1.pdf). During its February call, the WEQ BPS begin the discussion by considering business practices for energy storage resources and distributed energy resources participating in the wholesale markets that (1) define an index/registry; (2) create information and reporting requirements; and (3) establish performance metrics. As with all NAESB subcommittee meetings, this meeting is open to all interested parties.

To provide a brief background, in 2020, the NAESB Advisory Council identified battery storage as a growing area of interest within the market and recommended that NAESB explore the potential for standards development. As a result of that recommendation, the 2020 NAESB Standards Development Survey listed the development of standards supporting battery storage as a possible area for future standards projects. Through the survey results, NAESB determined there was strong industry support for standards development activities in this area. After the Board reviewed the survey results in September, the Chair of the Board created a task force to further explore the potential for standards development to support battery storage.

Between October and December, the Board Task Force on Battery Storage held three meetings that focused on whether NAESB should pursue standards development work concerning battery storage and, if so, to define a scope of work through the creation of a recommendation for the 2021 WEQ Annual Plan. Ultimately, the task force recommendation proposed the addition of a new 2021 WEQ Annual Plan item that includes: (1) the development of business practices to define an index/registry for qualified energy storage resources and distributed energy resources participating in the wholesale markets; (2) the creation of information and reporting requirements; and (3) the establishment of performance metrics. The recommendation of the Board Task Force on Battery Storage was adopted by the Board of Directors during its December meeting and added to the 2021 WEQ Annual Plan as Items 7.a – Develop business practices that define an index/registry for qualified energy storage resources and distributed energy resources participating in the wholesale markets; 7.b – Develop business practices for information and reporting requirements for the qualified energy storage resources and distributed energy resources participating in the wholesale markets; and 7.c – Develop business practices to establish performance metrics for the qualified energy storage resources and distributed energy resources participating in the wholesale markets. All three recommendations that will be developed by the WEQ BPS have a scheduled completion date within 2021.