##### October 15, 2021

**TO:** NAESB Advisory Council

**FROM:** Caroline Trum, NAESB Deputy Director

**RE: WEQ Energy Storage & Distributed Energy Resources Activities**

The WEQ Business Practices Subcommittee (BPS) continues to meet to address standard development activities regarding battery storage/energy storage resources and, more broadly, distributed energy resources, both in front and behind the meter. Kicked off in February, this effort is intended to be supportive of FERC Order Nos. 841 and 2222 and the wholesale electric industry’s implementation of Commission directives. Under 2021 WEQ Annual Plan Item 7, the WEQ BPS has been tasked to develop business practice standards that would (1) define an index or registry for these resource types; (2) create information and reporting requirements, and (3) establish performance metrics.

The initial work of the subcommittee has been on focused on information and reporting requirements as well as a potential index or registry for distributed energy and energy storage resources. In support of standards development in these areas, the subcommittee participants identified descriptive characteristics of homogeneous and heterogeneous distributed energy resource aggregations and individual resource types that may benefit from standardization, such as locational information like geographic location, service location, and price node as well as operational characteristics like capacity, metering information, and manufacturer. The subcommittee participants used this information to develop use cases that identify the data that may need to be provided by a resource owner and/or resource aggregator when registering an individual resource or distributed energy resource aggregation with an ISO or RTO. The subcommittee participants will continue discussions regarding these use cases at their next meeting scheduled for October 19, 2021.

As identified by WEQ BPS participants, batteries/energy storage and distributed energy resources may be an area of overlap between reliability and commercial considerations. To support the subcommittee standards development, NAESB staff has been in communication with NERC staff regarding the efforts of the WEQ BPS as well as current and future NERC projects addressing reliability issues related to batteries and distributed energy resources.

Earlier this year, NAESB filed an [informational status update](https://naesb.org/pdf4/naesb062121_informational_status_update_ferc_order841and2222.pdf) with FERC regarding this standards development effort. The report described the standards activities to date of the WEQ BPS to address 2021 WEQ Annual Plan Item 7 as well as provided an overview of the activities that led NAESB standards development in this area. As you may recall, the Board of Directors took action to include this effort on the 2021 WEQ Annual Plan, in part, based on recommendations from the NAESB Advisory Council that NAESB explore the potential for standards development to support battery storage as well as the results of the 2020 NAESB Standards Development Survey that indicated strong industry support for NAESB to consider standards in this area.