#####  February 15, 2023

**TO:** All Interested Parties

**FROM:** Caroline Trum, Director, Wholesale Electric Quadrant

**RE: Distributed Energy Resources and Grid Services Development**

During its meeting on February 15, 2023, the WEQ Business Practices Subcommittee (BPS) voted out a recommendation proposing a new suite of WEQ Business Practice Standards intended to increase the interoperability and utilization of flexible, grid-edge resources such as distributed energy resources and batteries. The standards identify six different categories of operationally-based grid services as well as the attributes that may be used to define the services, such as location, timing, and performance determinations. As included in the new suite of standards, the six categories of grid services are: energy grid service, reserve grid service, regulation grid service, frequency grid service, voltage management grid service, and blackstart grid service. These new standards will assist parties engaging in commercial transactions for grid services by better enabling communications between market participants with a flexible, grid-edge resource offering services and the system operator that is contracting for those services.

The formal comment period for the recommendation will conclude on March 17, 2023, and the WEQ BPS has scheduled a meeting for March 21, 2023 to review any formal comments and develop additional modifications, as needed, to the standards. The WEQ Executive Committee will consider the standards recommendation during its meeting on March 28, 2023. If adopted, the standards will be submitted for industry ratification. Once ratified, the standards will be considered a final action and incorporated into the next version of the WEQ Business Practice Standards.

As you may recall, this effort of the WEQ BPS was initiated in response to request for standards development submitted by the U.S. Department of Energy (DoE), Lawrence Berkeley National Laboratory, and Pacific Northwest National Laboratory to support efforts of the U.S. DoE’s Grid Modernization Laboratory Consortium. The standards request also proposes a similar set of standards addressing distribution-level services be developed for the retail market assist in more efficient communications and lay a foundation to support greater consistency in the integration of grid-edge resources at the retail level. Now that the WEQ BPS has completed the development of wholesale-related standards, the RMQ BPS will begin its standards development efforts, using the wholesale-related standards as a template.

The WEQ BPS has scheduled a meeting for March 1, 2023 to begin discussing the other standard development efforts assigned to the subcommittee. This includes work to develop standards supportive of the wholesale electric industry’s integration of energy storage and distributed energy resources in response to FERC Order Nos. 841 and 2222. Due to a potential in overlap between this work and activities to develop grid service related standards, the WEQ BPS temporarily shifted its focus to prioritize the request from the U.S. Department of Energy in an attempt to avoid inconsistencies or the development of duplicative standards. As part of this work, the WEQ BPS is considering the development of standards to support a distributed energy resource registry, information reporting requirements, and performance metrics.