##### April 19, 2021

**TO:** Interested Parties

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

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

In mid-February, the WEQ Business Practices Subcommittee (BPS) held a kick-off meeting to begin addressing 2021 WEQ Annual Plan Items 7.a, 7.b, and 7.c – Develop and/or modify standards for information and reporting requirements to support battery storage/energy storage and, more broadly, distributed energy resources in front and behind the meter. As part of this effort, the WEQ BPS has been tasked with developing 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. The standards development effort is intended to support the wholesale electric industry as it works to integrate energy storage and distributed energy resources in response to FERC Order Nos. 841 and 2222.

The WEQ BPS has held three meetings regarding this standards development effort and has an additional seven meetings scheduled between April 20 and July 8. Early discussions by the subcommittee have focused on 2021 WEQ Annual Plan item 7.b – Develop business practices for information and reporting requirements for qualified energy storage resources and distributed energy resources participating in the wholesale markets. The subcommittee is in the process of developing use cases to help identify the information exchange interactions that could benefit from standardization, such as data communicated between energy storage asset owners or distributed energy resource aggregators and the ISOs/RTOs.

As you may recall, the Board of Directors added the standard development efforts to support battery storage/energy storage and distributed energy resources to the 2021 WEQ Annual Plan during its December 2020 meeting based on recommendations made by the Board Task Force on Battery Storage. During the 2020 NAESB Advisory Council meeting, battery storage was identified as a growing area of interest within the market, and a recommendation was made that NAESB explore the potential for standards development. In response, standards supporting battery storage was included as a possible area of future standards development in the 2020 NAESB Standards Development Survey, with responses indicating strong support for NAESB to consider activities in this area. The results of the survey were presented to the NAESB Board of Directors in September, at which time the Chair of the Board created the task force to further explore the potential for standards development to support battery storage.