##### April 23, 2024

**TO:** All Interested Parties

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

**RE: WEQ/RMQ Standard Contract for the Sale and Purchase of Distribution Services from DER Aggregations**

The WEQ and RMQ Business Practices Subcommittees (BPS) continue to hold joint meetings to consider the development of a standard contract for the sale and purchase of distribution services from distributed energy resource (DER) aggregations in response to Standards Request [R24001](https://naesb.org/pdf4/r24001.docx), jointly submitted by the U.S. Department of Energy (DoE). Since the kick-off meeting on February 7, 2024, the WEQ/RMQ BPS have held three additional calls on this topic and are planning to meet approximately every two weeks until a recommendation is complete. Leadership of the WEQ/RMQ BPS anticipate finalizing a recommendation in early 3rd Quarter, 2024.

As envisioned by the request, the standard contract will support transactions for distribution services between a distribution utility and DER aggregator and is intended to increase consistency and minimize uncertainties in the contracting process. To create the standard contract, where possible, the WEQ/RMQ BPS participants plan to leverage terms and conditions included in the NAESB Base Contract for the Sale and Purchase of Voluntary Renewable Energy Certificates, developed joint by the WEQ/RMQ BPS, as well as other NAESB contract standards. Beyond generally applicable contract terms and conditions, such as performance obligations, term, notice, and billing, payment, and audit, the participants are evaluating additional standard terms and conditions to address considerations unique to transactions for distribution services from DER aggregations. As an initial guide, the WEQ/RMQ BPS is reviewing the contract framework principles outlined in the [U.S. DoE Standard Distribution Services Contract White Paper](https://naesb.org/pdf4/R24001_attachment.docx) which accompanied the request. Standard terms and conditions categories being considered, among others, include (1) data and visibility, which could identify data access and telemetry requirements; (2) customer engagement, which could identify relevant DER aggregator codes of conduct and address interactions between DER aggregators and DER owners; and (3) operational coordination, which could identify relevant communication processes between the parties and specific provisions, protections, or penalties related to system operations.

The WEQ/RMQ BPS participants are working to develop an initial draft of the standard contract. Once available, the WEQ/RMQ BPS leadership anticipate soliciting informal feedback from the industry regarding the proposal, using any comments or considerations to develop the final recommendation. The next meeting of the WEQ/RMQ BPS will be held on April 30, 2024 from 1:00 PM – 4:00 PM Central.