##### June 5, 2023

**TO:** All Interested Parties

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

**RE: WEQ Business Practices Subcommittee Activities Update**

Throughout 2023, the WEQ Business Practices Subcommittee (BPS) has continued to hold frequent meetings to address its assigned standard development efforts. Currently, the subcommittee is in the process of reviewing FERC Order No. 881 *Managing Transmission Line Ratings.*  This Order requires the use of ambient-adjusted ratings in the evaluation of near-term transmission service requests to improve upon the accuracy and transparency of transmission line ratings and promote efficiencies in the utilization of the grid. The WEQ BPS’s work has centered on the need for potential modifications to WEQ-023 Modeling Business Practice Standards to support Order directives regarding the incorporation of ambient-adjusted ratings into certain calculations as well as transparency. The subcommittee began discussions on this item in March 2023 and has made a preliminary determination that no action is needed at this time. The WEQ BPS plans to vote out a no action recommendation during its meeting on June 13, 2023.

Earlier this year, the WEQ BPS developed a recommendation proposing a new suite of WEQ Business Practice Standards to support wholesale electric utilization of distributed energy resources (DERs) at the joint request of the U.S. Department of Energy, Lawrence Berkeley National Laboratories, and Pacific Northwest National Laboratories. Recently ratified by NAESB membership, the WEQ-025 Grid Services Supporting Wholesale Electric Interactions Business Practice Standards introduces a new level of consistency across the various wholesale markets, allowing for more accurate application, measurement, and reporting of grid services performance information as well as assisting parties engaged in commercial transactions for grid services by better enabling communications between system operators and market participants, such as DER aggregators. Now that this effort is completed, the WEQ BPS is returning focus to standard development activities intended to support the use of energy storage resources and DER aggregations under requirements established by FERC Order Nos. 841 and 2222.

As part of this work, the WEQ BPS will be considering three areas of standards development: (1) business practices that define an index/registry for energy storage resources and DERs; (2) business practices for information and reporting requirements for energy storage resources and DERs; and (3) business practices to establish performance metrics for energy storage resources and DERs. The initial efforts of the subcommittee focused on the development of information and reporting requirements to support the registration of DER aggregations, including the identification of datasets that will need to be communicated between various parties, such as resource owners/aggregators and the ISOs/RTOs. The previous work of the WEQ BPS led to the identification of descriptive characteristics for energy storage resources, DERs, and DER aggregations, including locational information and operational characteristics, that could serve as the basis for drafting standards to support information exchanges between parties. However, as discussed during its May 3, 2023 subcommittee meeting, in determining how to move forward with the standards activities in this area, the WEQ BPS will be seeking any new or updated use cases from the industry, and the path forward for standards development will be dependent on input and contributions from subject matter experts. The WEQ BPS plans to discuss these efforts in more detail during its meeting.