



NEWS RELEASE

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FERC Issues Final Rule on Electric Storage Participation in Regional Markets

The Federal Energy Regulatory Commission (FERC) today voted to remove barriers to the participation of electric storage resources in the capacity, energy and ancillary services markets operated by Regional Transmission Organizations and Independent System Operators. This order will enhance competition and promote greater efficiency in the nation's electric wholesale markets, and will help support the resilience of the bulk power system.

In a November 2016 Notice of Proposed Rulemaking (NOPR), the Commission noted that market rules designed for traditional generation resources can create barriers to entry for emerging technologies such as electric storage resources. Today's final rule helps remove these barriers by requiring each regional grid operator to revise its tariff to establish a participation model for electric storage resources that consist of market rules that properly recognize the physical and operational characteristics of electric storage resources.

The participation model must ensure that a resource using the model is eligible to provide all capacity, energy and ancillary services that it is technically capable of providing, can be dispatched, and can set the wholesale market clearing price as both a seller and buyer consistent with existing market rules. The model also must account for the physical and operational characteristics of electric storage resources through bidding parameters or other means, and it must set a minimum size requirement that does not exceed 100 kilowatts. The final rule also requires that the sale of electric energy from the wholesale electricity market to an electric storage resource that the resource then resells back to those markets must be at the wholesale locational marginal price.

The NOPR also proposed reforms related to distributed energy resource aggregations. While the Commission continues to believe that removing unnecessary barriers to market participation by these resources is important, today's rule concludes that more information is needed with respect to those proposed reforms. In light of that, the Commission today also issued a Notice of Technical Conference (RM18-9-000), that identifies questions to help gather additional information to determine what action to take on the distributed energy resource aggregation reforms proposed in the NOPR. Commission staff also will use the technical conference as an opportunity to discuss other technical considerations for the bulk power system related to distributed energy resources.

Today's final rule takes effect 90 days after publication in the *Federal Register*. Compliance filings by the RTOs and ISOs are due 270 days after the effective date, with an additional 365 days to implement the tariff revisions.

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