**Standard Distribution Aggregation Services Contract Framework Work Paper**

NAESB Standard Contract Format

1. Cover Sheet
   1. Identification of parties
   2. Contact information
   3. Accounting information
   4. Election of general terms and conditions
   5. Signatories
2. General Terms and Conditions (examples)
   1. Purpose and Transaction Procedures
   2. Definitions
   3. Performance Obligation
   4. Taxes and Fees
   5. Billing, Payment, and Audit
   6. Title, Warranty, and Indemnity
   7. Notices
   8. Financial Responsibility (e.g. early termination, default)
   9. Force Majeure
   10. Term
   11. Limitations
   12. Market Disruption
   13. Miscellaneous
3. Exhibits

NAESB Standard Distribution Services from DER Aggregation Contract Considerations

What elements should be addressed within the contract?

How should these be addressed (e.g. terms and conditions, reference to related processes, forms and/or agreement, etc.)?

Potential Areas to Discuss:

1. Validation and Qualification – This process is completed prior to the contracting process. The contract should specify that all relevant pre-requisite forms, agreements, and studies have been completed.
   1. Eligibility requirements for aggregations/aggregators
      1. Information required from aggregators
      2. Roles and responsibilities of aggregator, utility, and regulator
   2. Registration process – The registration process occurs prior to the agreement of the contract and that may include the following. The contract should specify the applicable documents/forms/etc. have been completed (such as attestation that all relevant documents/forms have been completed)
      1. Registration forms
      2. Interconnection agreement (this may need to include references to any state specific interconnection agreements)
      3. Interconnection studies
2. Distribution Grid Services – The specific performance requirements/expectations may be part of a separate document but should be generally referenced as part of the contract (potentially identified by distribution utility as part of contract)
   1. Performance requirements for services
   2. Performance expectations of DER aggregation
3. DER Aggregation Plan – This will likely be state and utility specific and likely captured as part of the registration process. The contract should provide general information (such as the applicable requirements/require DER aggregator to submit aggregation plan (resource plan, scheduling, etc.).
   1. Aggregation rules
      1. Technical, operational, and regulatory considerations
      2. Capacity limits
         1. Wholesale market rules
         2. State regulations
         3. Distribution network physical operating limits
   2. Implementation plan
      1. Composition of aggregated resources
      2. Customer engagement plan
      3. Participation models
   3. Resource plan
      1. Resource capabilities
      2. Aggregation strategy
      3. Service allocation
   4. Resource schedule
      1. Activation timing
      2. Resource availability
      3. Dispatch response
   5. Customer information
      1. Contacts
      2. Account numbers
      3. DER ownership details
   6. DER information
      1. Technical information for DERs
      2. Locational data
      3. Operational information
   7. Customer engagement plan – How are utilities making sure there is a fair and consistent relationship between aggregators and DER owners? The contract should identify how customer engagement addressed (Is this a broadly applicable term? Does the contract need to reference outside applicable documentation, such as regulatory requirements?)
      1. Customer communications
      2. Information sharing
      3. Customer support services
      4. Collection, storage, utilization, and sharing of individual customer data
      5. Customer consent for aggregation participation and opt-out
      6. Applicable regulations
   8. Aggregator code of conduct – this likely ties in with customer engagement plan considerations
4. Data and Visibility Requirements
   1. Data access requirements
      1. Contract should identify what categories of data the distribution utility expects to receive from the DER aggregator in order to manage reliability and identify who distribution utility shares that data with or reference where this is documented
      2. Distribution utilities need to specify the data categories needed from the DER aggregator
   2. Telemetry requirements – Contract should specify applicable telemetry requirements, including regulatory requirements that the aggregator must meet.
      1. Telemetry data that must be collected
      2. Communication protocols and standards
      3. Frequency of reporting
   3. Cyber requirements
      1. Data encryption
      2. Access control
      3. Incident response
      4. Compliance standards
      5. Data backups
5. Operational Coordination
   1. Scheduling and dispatch – rules for scheduling and dispatch should be identified as part of the contract
      1. Performance forecast – depending on the services being procured, the contract may need to reference utility performance forecasting documentation
   2. Planned and unplanned
      1. Curtailment and Derates – how this will be addressed; should be identified or referenced in the contract; could be reference to third-party document, such as state utility commission requirements
         1. Requirements around who is responsible for reporting and timing
      2. Outages - how this will be addressed; should be identified or referenced in the contract; could be reference to a third-party document, such as state utility commission requirements
         1. Requirements around who is responsible for reporting and timing
6. Compensation and Performance Evaluation
   1. Performance evaluation – This is likely to be resource/service specific as identified by the distribution utility.
   2. Settlement process
   3. Non-performance – These terms and conditions can be addressed through provisions regarding force majeure and financial responsibility
7. Auditing Requirements – These terms and conditions can be addressed through billing, payment, and auditing provisions
8. Regulatory Oversight - The contract could reference specific applicable rules/regulations or generally reference all applicable rules and regulations.