



NORTH AMERICAN ENERGY STANDARDS BOARD

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NAESB RELEASES DRAFT STRAWMAN HYDROGEN CONTRACT FOR INDUSTRY-WIDE COMMENT PERIOD

Earlier this month, NAESB held its second industry-wide meeting to develop a standardized contract for the sale and purchase of hydrogen and reviewed a draft “strawman” document created by the Chair of Contracts Subcommittee, Keith Sappenfield, Cheniere, to initiate discussions. The “strawman” document includes terms and conditions taken primarily from the NAESB Base Contract for Sale and Purchase of Natural Gas, the Certified Gas Addendum to the NAESB Base Contract, and the NAESB Master Agreement for Purchase Sale or Exchange of Liquid Hydrocarbons. The initial draft features several key elements, including provisions from the NAESB Certified Gas Addendum for certificate tracking and references to Energy Attribute Certification (EAC). Additionally, the draft incorporates terms from the NAESB Agreement for Liquid Hydrocarbons related to potential hydrogen transportation methods and includes a placeholder for carbon intensity values.

To solicit feedback and initiate the drafting process, the “strawman” document is currently out for an informal comment period, which began on August 5, 2024, and will close on September 6, 2024. During this time, any interested industry parties may submit comments, questions, or work papers that will be reviewed by the Contracts Subcommittee during its meeting on September 12, 2024. As with all NAESB efforts, participation in this standard development activity and the submission of comments is open to all interested parties regardless of membership within NAESB.

This initiative, approved by the NAESB Board of Directors during its April 4, 2024 meeting and assigned to the Contracts Subcommittee within NAESB that supports the wholesale gas market, was formally launched at a kickoff meeting on July 11, 2024. During the kickoff meeting, attended by over 50 participants representing companies from the natural gas, electric and hydrogen industries, a presentation was provided concerning the demand-side activities that are currently underway to develop the hydrogen market. Highlights included discussions on U.S. Department of Energy initiatives and projects by the Open Hydrogen Initiative and the Association of International Energy Negotiators. Additionally, the NAESB process for standards development was reviewed as well as a draft framework for the contract that was utilized to create the “strawman” document currently out for comment.

For more information, please contact Jonathan Booe, NAESB Executive Vice President and Chief Operating Officer (713) 356-0060.

The North American Energy Standards Board (NAESB) serves as an industry forum for the development and promotion of standards which will lead to a seamless marketplace for wholesale and retail natural gas and electricity, as recognized by its customers, business community, participants, and regulatory entities. It is composed of about three hundred corporate members in the energy industry and many more non-member volunteers who contribute to the drafting and adopting of NAESB standards. To learn more about NAESB, go to www.naesb.org.
