##### February 17, 2023

**TO:** All Interested Parties

**FROM:** Elizabeth Mallett, Director, Wholesale Gas and Retail Markets Quadrants

**RE: Renewable Natural Gas (RNG) and Certified Gas (CG) Addendums Update**

In early February, the WGQ Executive Committee held a single-topic meeting to approve two recommendations containing addendums to the *NAESB Base Contract for Sale and Purchase of Natural Gas* (NAESB Base Contract). First, the WGQ Executive Committee approved the recommendation containing the *NAESB Renewable Natural Gas Addendum* (NAESB RNG Addendum) which was developed by the WGQ Contracts Subcommittee over the course of thirty-three meetings, spanning almost a two-year period. The second recommendation was also developed by the WGQ Contracts Subcommittee and contains the *NAESB Certified Gas Addendum* (NAESB CG Addendum). Both addendums are currently out for membership ratification periods that will conclude on March 8, 2023.

Upon the completion of the NAESB RNG Addendum and the NAESB CG Addendum, the WGQ Contracts Subcommittee announced the first in a series of joint meetings with the WGQ Business Practices Subcommittee (BPS) and the WGQ Electronic Delivery Mechanisms (EDM) Subcommittee. During the first meeting, scheduled for the last week of February, the subcommittees will begin discussion on the development of technical implementation and any necessary modifications to the NAESB Base Contract to support the two addendums. As part of this effort, the subcommittees will leverage earlier work performed within the WGQ that resulted in the digitization of the NAESB Base Contract, as a template for drafting the RNG and CG Addendum technical implementation. The technical implementation efforts for both the NAESB CG Addendum and the NAESB RNG Addendum are scheduled to be completed within 2023.

With the intention to improve the efficiencies in both the voluntary and regulated RNG transaction processes, the NAESB RNG Addendum establishes uniform terminology and model terms and conditions that can serve as a starting point for contract negotiations. The NAESB CG Addendum is intended to support the voluntary and nascent market for certified gas, similar to the RNG Addendum, seeks to standardize the terminology and contracting terms and conditions.