##### February 22, 2021

**TO:** All Interested Parties

**FROM:** Elizabeth Mallett, NAESB Deputy Director

**RE:** **Wholesale Gas Quadrant (WGQ) Renewable Natural Gas Contract Activities**

On February 23, the NAESB WGQ Contracts Subcommittee will hold a kick-off meeting to begin addressing 2021 WGQ Annual Plan Item 5. As stated on the annual plan, the WGQ Contracts Subcommittee will evaluate the existing NAESB Base Contract for Sale and Purchase of Natural Gas (NAESB Base Contract) to determine if modifications or a new standardized contract is needed to support renewable natural gas purchase and sale transactions and, if needed, develop the contract. During the February meeting, the participants will review several posted work papers, including several white papers, example gas agreements, the definition of “biomethane”, and a Chair’s work paper containing a draft addendum.

During the September strategic session of the NAESB Board of Directors meeting, the participants reviewed the results of the 2020 NAESB Standards Development Survey and the Board Strategy Committee proposed related recommendations. As a result of the discussion during that meeting, the Chair of the Board created the Board Task Force on Renewable and Sustainably Produced Natural Gas to further explore the potential for standards development in support of renewable natural gas and sustainably produced natural gas.

Over the course of three meetings, the task force determined that standards development in the area should be pursued by NAESB, and developed a scope of work through the creation of a recommendation to the Board of Directors. While the task force discussed the possibility of developing renewable natural gas and sustainably produced natural gas standards concurrently, it was determined that the two items should be addressed separately, as originally contemplated. During the December Board of Directors Meeting, the resulting recommendation was adopted and the new annual plan item was created.