##### October 16, 2018

**TO:** All Interested Parties

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

**RE: Update to the Board of Directors – Blockchain Request**

As previously announced, the NAESB WGQ BPS, EDM and Contracts Subcommittees will meet jointly on Wednesday, October 24, 2018 from 9:00 am to 4:00 pm Central to initiate efforts to address the blockchain related standards request, R18007. At the beginning of July, R18007 was submitted to the NAESB Office by Big Data Energy Services, Adjoint Inc., Pariveda, American Electric Power Service, Tennessee Valley Authority, and JKM Energy & Environmental Consulting. The requestors asked that NAESB develop a standard digital representation of natural gas trade events, consistent with NAESB WGQ Standard No. 6.3.1 – NAESB Base Contract for Sale and Purchase of Natural Gas, in order to capitalize on smart contract and distributed ledger technologies. R18007 was triaged and the resulting disposition found the request to be in scope and assigned to the WGQ Executive Committee for further assignment.

In September, the WGQ Executive Committee held a conference call to address R18007, among other agenda items. During that call, the WGQ Executive Committee determined that the request would be jointly assigned to the WGQ BPS, EDM, and Contracts Subcommittees and that an educational primer will be given during the first face-to-face meeting, now scheduled for October 24, 2018. In-person participation is limited to those individuals that responded to the September 14th request for RSVP indicating their intent to attend. Participation via phone/webcast is open to all interested parties.

During the February Advisory Council meeting, blockchain was one of the main topics identified to be included in the strategic direction of NAESB for 2018 and beyond. The Advisory Council suggested that NAESB consider standards development to support the integration of blockchain technology into energy transactions, including how blockchain can improve resilience and supply chain integrity. Further, the Advisory Council recommended that NAESB monitor customer-to-customer transactions and how blockchain technology supports those transactions.