##### June 16, 2021

**TO:** All Interested Parties

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

**RE: WGQ Renewable Natural Gas Contract Activities Update**

On July 15, 2021, the NAESB WGQ Contracts Subcommittee, chaired by Keith Sappenfield of Corpus Christi Liquefaction, will continue its efforts to support renewable natural gas sale and purchase transactions through the development of an addendum to the existing NAESB Base Contract for Sale and Purchase of Natural Gas (NAESB Base Contract) or the development of new standardized contract. During the mid-July meeting, the participants will continue to discuss the applicable transactions, both regulatory and voluntary, that could be considered as part of the effort, along with the standardization of common terms and definitions.

In response to discussions held during the September Strategic Session of the NAESB Board of Directors meeting and a subsequent Board Strategy 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. 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. Over the course of three meetings, the task force met to develop a scope of work and proposed the resulting annual plan item was assigned to the WGQ Contracts Subcommittee during the December Board of Director’s meeting.

Since the February kick-off call, the WGQ Contracts Subcommittee has held five meetings. During the first call, the participants were provided with a brief presentation on the NAESB standards development process, discussed a proposed path for the new standards development effort, and reviewed a Chair’s work paper that provided a draft addendum as a starting point for discussion within the subcommittee. Several other posted work papers were examined, including white papers and example gas agreements. After the determination was made that the wholesale gas industry would find the development of an addendum to the NAESB Base Contract that facilitates renewable natural gas beneficial, the subcommittee continued to scope out the effort and solicit comments and work papers from the industry after each meeting. This effort has a completion date scheduled within 2021 on the WGQ Annual Plan. All interested parties are welcome to participate in the July 15, 2021 WGQ Contracts Subcommittee meeting.