#####  October 14, 2022

**TO:** All Interested Parties

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

**RE: Renewable Natural Gas and Certified Gas Addenda Updates**

Ongoing meetings of the WGQ Contracts Subcommittee have been scheduled to continue the development of the Certified Gas Addendum (NAESB CG Addendum) to the *NAESB Base Contract for Sale and Purchase of Natural Gas* (NAESB Base Contract). As you know, certified gas is natural gas that has been certified by a third-party to meet certain standards defined by the third-party certifier. Since the first WGQ Contracts Subcommittee meeting to address this item in June, the participants have sharpened the scope of the effort and utilized their subject matter expertise to bring about the early iterations of the NAESB CG Addendum which is intended to facilitate the sale and purchase transactions in this nascent market. As the subcommittee works through the drafting process, the language of the proposed terms and conditions are refined to ensure the NAESB CG Addendum will be inclusive of a broad range of certified gas use cases and business models. The WGQ Contracts Subcommittee chair has called for any comments concerning the NAESB CG Addendum to be submitted to the NAESB office two to three days before the next scheduled meeting. As always, all interested parties are welcome to attend. The subcommittee has reviewed numerous informal comments submitted by Argus Media, BP, Cheniere Corpus Christi Liquefaction, ConocoPhillips, Emera Energy, the Environmental Defense Fund, Equitable Origin, MiQ, NRG and Eversheds Sutherland, Project Canary, Sabine Pass Liquefaction, and Sequent Energy Management.

The WGQ Contracts Subcommittee is wrapping up its drafting of the NAESB Renewable Natural Gas Addendum (NAESB RNG Addendum) for the NAESB Base Contract. Since February of 2021, the subcommittee has held over twenty-eight meetings to develop the document which will support sales and purchase transactions in both regulated and voluntary RNG markets. If the recommendation containing the NAESB RNG Addendum is approved by the subcommittee, it will be posted for a thirty-day formal comment period. Following the comment period, the WGQ Executive Committee will review the submitted formal comments and consider the recommendation for adoption. The NAESB membership will subsequently ratify the recommendation, making it available as a final action for industry use.

The proposed 2023 WGQ Annual Plan includes two new items assigned to the WGQ Contracts Subcommittee. Both items – one item for the NAESB RNG Addendum and the other for the NAESB CG Addendum – call for the development of technical implementation that is needed for parties to utilize the addenda on digital technologies, such as distributed ledger technology. In that effort, the subcommittee will leverage the previous implementation work performed by the subcommittee to digitize the NAESB Base Contract in order to expedite the work.