



July 29, 2022

North American Energy Standards Board
801 Travis Street
Suite 1675
Houston, TX 77002

Re: Comments on Certified Gas Addendum

Dear Mr. Sappenfield:

Environmental Defense Fund (EDF) respectfully submits the following comments on the NAESB Certified Gas Addendum. EDF's comments focus on two issues discussed during the July 21 meeting: the level of independence required for Certification Authorities and Verification Providers and whether certification should occur at the well or facility level.

Independence. An essential characteristic of a robust certification program is that it must be accompanied by verification from a credible and independent third party.¹ Several certifiers have noted the importance of this attribute. For example, Project Canary is now offering "an additional layer of 3rd party data to produce unassailable emissions performance reports."² MiQ's guidance for auditors makes clear that "[a]uditors must maintain true independence and avoid conflict of interest, financial, personal, reputational, or otherwise, within the certification process."³

For a certification program to be deemed credible, there must be an appropriate degree of independence between the Certification Authority and (1) the Operator, (2) the technology or data provider, and (3) the auditor or validator.

¹ While some programs such as the International Methane Emissions Observatory (IMEO) are promising examples of independent third-party corroboration of company reported data, it should be noted that IMEO will not play a verification role. Maureen Lackner *et al.*, Certification of Natural Gas With Low Methane Emissions: Criteria for Credible Certification Programs at 11, https://blogs.edf.org/energyexchange/files/2022/05/EDF_Certification_White-Paper.pdf.

² <https://www.projectcanary.com/services/performance-proof/>.

³ <https://miq.org/document/miq-introduction-for-auditors/>.

NAESB should ensure that such independence is reflected at all of these levels in the Addendum.

Certification of Wells v. Facilities. EDF recognizes that NAESB is still working to resolve whether the Addendum should refer to the certification of both wells and facilities. EDF shares MiQ’s concern that a singular focus on well certification will invite accusations of cherry-picking, as operators could choose to disclose emissions only on the newest assets with the inherently lowest emissions. To protect against this outcome and ensure transparent transactions, the definition of “Facility” should make clear that it covers the production equipment located in a single geologic field or basin.⁴

EDF also reiterates its suggestion to add the following language to page 8 of 10, Exhibit A, under “Facility(ies) or Well(s) Information:” **“The production of these assets represents a ___% share of the entire production portfolio of seller. The company-wide methane intensity of Seller’s production assets is ___%.”** EDF continues to maintain that its suggested language is necessary to address the cherry-picking concern raised during this process.

EDF thanks NAESB for the opportunity to submit these comments and looks forward to continuing to engage in this process.

Sincerely,

/s/ Natalie M. Karas

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⁴ This is consistent with the definition of “Facility” MiQ has incorporated into its onshore production standard, which is defined as “[a]ll natural gas production equipment located in a single geologic field or basin under the responsibility of a common owner or operator (including leased, rented, or contracted activities).” <https://miq.org/document/miq-standard-onshore/>.

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