##### February 16, 2022

**TO:** All Interested Parties

**FROM:** Elizabeth Mallett

**RE: Renewable Natural Gas Contract Update**

As directed on the 2022 WGQ Annual Plan, the WGQ Contracts Subcommittee is considering the development of contracts related standards to address renewable natural gas. The subcommittee held a kick-off meeting in February of 2021 to discuss the proposed path for standards development. The participants are now developing an addendum to the *NAESB Base Contract for Sale and Purchase of Natural Gas* intended to support sale and purchase transactions of renewable natural gas in both regulated and voluntary markets. This process began with the participants identifying and developing standardized terms and definitions applicable to renewable natural gas transactions and has progressed to the development of the general terms and conditions. Subsequent to the completion of the general terms and conditions, the participants will develop technical standards to enable the digitalization of the renewable natural gas addendum. Throughout this standards development process, the subcommittee is leveraging the previous standards development effort to digitalize the *NAESB Base Contract for the Sale and Purchase of Natural Gas* in order to expedite the work. The WGQ Contracts Subcommittee has scheduled its next meeting for February 23, 2022 and is in the process of scheduling additional meetings for 2022. The participants anticipate completing the recommendation for this effort in 2022.

As background, the NAESB Board of Directors took action to include renewable natural gas contracting as part of WGQ Annual Plan in response to a recommendation from the Board Task Force on Renewable and Sustainably Produced Natural Gas. The task force, created by the Chair of the Board, was asked to explore the potential for standards development in support of renewable natural gas and sustainably produced natural gas, as this was an area of interest for NAESB to pursue as indicated by industry responses to the 2020 NAESB Standards Development Survey. 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. Over the course of several meetings, the task force developed a scope of work and proposed the renewable natural gas standard development item that was included on the 2021 WGQ Annual Plan and carried over to the 2022 WGQ Annual Plan.