##### April 25, 2022

**TO:** All Interested Parties

**FROM:** Elizabeth Mallett

**RE: Renewable Energy Certificate (RECs) Contract Update**

On April 25th, the WEQ and RMQ Business Practice Subcommittees held a joint conference call to continue the development of the technical implementation to support the *NAESB Base Contract for Sale and Purchase of Voluntary Renewable Energy Certificates* (NAESB REC Base Contract). On the heels of the ratification of NAESB REC Base Contract by the NAESB WGQ membership last November, the subcommittee set out to begin work on the technical implementation for the contract, including standards that allow for the digitalization of the agreement.

Where possible, the subcommittees are leveraging the standards created by the Wholesale Gas Quadrant to digitalize the *NAESB Base Contract for Sale and Purchase of Natural Gas*. During the April conference call, the participants honed in on consistency changes and additional language to add to the new REC attachments: REC Attachment B New Definitions and Standards, REC Attachment C Contract Dataset, REC Attachment D REC Confirmation Dataset, and REC Attachment E REC Sale and Purchase Invoice Dataset. The RMQ and WEQ Business Practice Subcommittees are on track to complete this joint effort this year.

Looking ahead, the subcommittee will hold an informal comment period on the technical implementation documents to solicit comments or suggestions from any interested parties. The subcommittee will subsequently consider the recommendation and, if approved, it will be posted for a formal thirty-day comment period and considered during the October Executive Committee meetings.

Approved by the Executive Committees last October and ratified in November, the NAESB REC Base Contract is intended to improve efficiencies in the voluntary REC transaction processes through the establishment of uniform terminology and model terms and conditions that can serve as a starting point for contract negotiations. Along with the approval of the model contract last October, the Executive Committees also approved an attestation exhibit that allows parties to evidence transfer of ownership and an FAQ document that may be helpful to parties utilizing the NAESB REC Base Contract.