##### April 6, 2020

**TO:** All Interested Parties

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

**RE:** WGQ Distributed Ledger Technology Update

In April, the WGQ Business Practices Subcommittee, WGQ Contracts Subcommittee, and WGQ Electronic Delivery Mechanism Subcommittees anticipate the completion of the second part, Part B, of the recommendation for R18007. The recommendation will result in a standard digital representation of natural gas trade events consistent with NAESB WGQ Standard No. 6.3.1 – NAESB Base Contract for Sale and Purchase of Natural Gas (NAESB Base Contract). R18007-B will contain additional definitions, standards and supporting documents that were not included in the first recommendation, R18007-A. During the April 7-8 conference call, the subcommittees will discuss potential updates to the General Terms and Conditions of the NAESB Base Contract. Additionally, Data Dictionaries and Technical Implementations of the Business Process manuals will be completed for the Transaction Confirmation, the Sale and Purchase Invoice, and the Sale and Purchase Invoice Response. On April 20-21, the subcommittees will hold a call once again to wrap up the proposed standards and vote on the recommendation. All interested parties are welcome to RSVP for the conference calls.

In November, as part of Recommendation A in support of R18007/2019 WGQ Annual Plan Item 5.a, the WGQ membership ratified modifications to convert the NAESB Base Contract for Sale and Purchase of Natural Gas into a digital “smart” contract that can be used with distributed ledger technology as well as standards related to technical implementation supporting the use of the digital contract.

This effort began in 2018, when Big Data Energy Services, Adjoint Inc., Pariveda, American Electric Power Service, Tennessee Valley Authority, and JKM Energy & Environmental Consulting jointly submitted Standards Request R18007 proposing that NAESB develop a standard digital representation of natural gas trade events consistent with the NAESB Base Contract for Sale and Purchase of Natural Gas. The request was jointly assigned to the WGQ BPS, Contracts Subcommittee, and EDM Subcommittee which kicked-off standard development efforts on the two-part recommendation in October 2018.