##### April 16, 2025

**TO:** All Interested Parties

**FROM:** Amrit Nagi, Staff Attorney

**RE: WGQ Contracts Subcommittee Activities**

The WGQ Contracts Subcommittee has recently advanced two major initiatives through formal recommendations. On March 19, 2025, the WGQ Contracts Subcommittee voted out a recommendation on WGQ Annual Plan Item 5. This item focused on updating the renewable natural gas (RNG) addendum, specifically addressing new regulations and developments in the RNG market relating to transactions under the NAESB Base contract. This initiative, launched on January 17, 2025, centered on the implications of the Biogas Regulatory Reform Rule (BRRR), including updates to tracking mechanisms, RIN generation, and the EPA’s EMTS system. Over the course of four meetings, the subcommittee evaluated revisions to the addendum to improve clarity, align with regulatory changes, and support evolving market structures, while maintaining flexibility for voluntary programs. These efforts culminated in a final recommendation that is currently out for a formal comment period which began on March 20, 2025 and will end on April 21, 2025. As of date, one comment has been received.

In parallel, the WGQ Contracts Subcommittee met on February 27, 2025, and voted out a recommendation on WGQ Annual Plan Item 4 to develop a standardized contract for the sale and purchase of hydrogen. A formal comment period opened on February 28, 2025, and closed on March 31, 2025, with four sets of comments received. This recommendation was the product of ten meetings, during which the subcommittee leveraged existing NAESB agreements, including the Base Contract for Natural Gas, the Certified Gas Addendum, and the Master Agreement for Liquid Hydrocarbons, and includes provisions for certificate tracking, carbon intensity values, and multiple transportation methods. The initiative originated from an April 4, 2024 directive from the NAESB Board of Directors, which called for standards development in the hydrogen market. The initial meeting on July 11, 2024, attracted over 50 participants from the natural gas, electric, and hydrogen sectors and included an overview of the NAESB standards development process, a market review, and a discussion of a basic contract framework.