##### November 17, 2021

**TO:** All Interested Parties

**FROM:** Caroline Trum, NAESB Deputy Director

**RE: Renewable Natural Gas Contract Update**

Since the last meeting of the NAESB Board of Directors, the WGQ Contracts Subcommittee has held an additional three meetings on September 9, September 30, and November 11 to continue its efforts to draft a renewable natural gas addendum to the *NAESB Base Contract for Sale and Purchase of Natural Gas*. The subcommittee began by identifying and developing standardized terms and definitions applicable to renewable natural gas transactions and has now begun to discuss general terms and conditions. The intent of the subcommittee participants is to develop an addendum that will support sale and purchase transactions of renewable natural gas in both regulated and voluntary markets.

Once work to draft the applicable general terms and conditions is completed, the subcommittee participants will develop standards to enable the digitalization of the renewable natural gas addendum. To do so, the subcommittee participants intend to leverage the previous standards development effort to digitalize the *NAESB Base Contract for the Sale and Purchase of Natural Gas*. The WGQ Contracts Subcommittee has meetings scheduled for December 2 and December 16, and is in the process of scheduling meetings for next year. The subcommittee anticipates completing a recommendation on this effort in 2022.

The WGQ Contracts Subcommittee kicked-off efforts in February with a review of several industry submitted work papers that served as a starting point for subcommittee discussions. Over the course of ten meetings, the subcommittee defined its scope of work to the development of a renewable natural gas addendum and discussed use cases to identify terms and definitions within the voluntary and regulated markets that would be beneficial for standardization. As you may recall, this effort was added by the NAESB Board of Directors to the 2021 WGQ Annual Plan based on a recommendation by the Board Task Force on Renewable and Sustainably Produced Natural Gas that NAESB move forward with contracts related standards development to address renewable natural gas.