##### November 26, 2019

**TO:** All Interested Parties

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

**RE:** Update to the Board of Directors – WGQ Distributed Ledger Technology Activities

**Wholesale Gas Quadrant Digital NAESB Base Contract Efforts**

On November 21, 2019, 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. These changes were adopted by the WGQ Executive Committee on October 17, 2019 as part of Recommendation A in support of R18007/2019 WGQ Annual Plan Item 5.a.

Currently, the WGQ BPS, WGQ Contracts Subcommittee, and WGQ Electronic Delivery Mechanism Subcommittee are meeting to develop the second part of the recommendation that will culminate 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. The subcommittees anticipate that the recommendation for R18007-B will contain additional definitions, standards and supporting documents that were not included in the first recommendation, R18007-A.

In 2018, 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 in October 2018.