**via posting**

**TO:** NAESB Board Task Force on Battery Storage Members: Michelle Brocklesby, Cade Burks, Valerie Crockett, Michael Desselle, Pete Koszalka, Greg Lander, Debbie McKeever, Gene Nowak, Jonathan Peress, Tim Simon, Rick Smead, Terry Thorn, and Mark Zdenek

**FROM:** Jonathan Booe, Executive Vice President and CAO, NAESB

**RE:** Meeting Notes from theNAESB Board Task Force on Renewable & Sustainably Produced Natural Gas Conference Call on November 13, 2020

**DATE:** December 2, 2020

Dear Task Force Members,

A conference call was held on November 13, 2020 to review the presentations, work papers and comments submitted by the Task Force members. The meeting was called to order at 1:00 PM Central. Mr. Desselle presided over the meeting. The notes and attachments below serve as a record for the meeting.

| **Notes from the November 13, 2020 NAESB Board Task Force on Renewable & Sustainably Produced Natural Gas Conference Call** | | | |
| --- | --- | --- | --- |
| **Administrative** | Mr. Desselle welcomed the participants to the conference call and called the roll of the Task Force members. Mr. Desselle reviewed the agenda for the meeting and Mr. Lander moved to adopt the agenda and notes from the last meeting as drafted. Ms. Crockett seconded the motion, and the motion passed without opposition. | | |
| **Review of Presentations, Work Papers and Written Comments** | Mr. Desselle reminded the participants that during the last Task Force meeting the participants were asked to submit any presentations, work papers or written comments that they would like to Task Force to consider in the development of an annual plan item that could be recommended to the Board of Directors for the development of standards to support renewable and sustainably produced natural gas. In response, Mr. Lander, Mr. Agen and Mr. Koszalka submitted documentation. He asked each of the respondents to review their submissions.  Mr. Lander reviewed the proposed annual plan items included in his workpaper. He stated that the proposal is to develop a contract or make changes to the existing NAESB Base Contract for Sale and Purchase of Natural Gas (NAESB Base Contract) that encompass greenhouse gas attributes. In doing so, the Wholesale Gas Quadrant may be able to address both renewable natural gas and sustainably produced natural gas contracting in a single effort. Mr. Agen reviewed his work paper which provided the definition of renewable natural gas adopted by the American Gas Association (AGA) and a number of resources that may be helpful in the development of standards related to renewable natural gas and sustainably produced natural gas. He stated that the AGA supports developing standards related to renewable natural gas and sustainably produced natural gas through different efforts as markets for each commodity are different. Mr. Koszalka presented his work paper to the Task Force, which provided information concerning the Environmental Protection Agency and California Air Resources Board activities related to renewable and sustainably produced natural gas. He stated that approach adopted by California is focused on the carbon intensity of natural gas.  The participants discussed whether a recommendation should be made to develop standards or a standardized contract that would support transactions of both renewable and sustainably produced natural gas, or if the recommendation should be to address each individually. Through discussion, there was general support for addressing each separately with an initial focus on renewable natural gas. Mr. Nowak stated that, from a pipeline perspective, the transportation of the type of natural gas, whether renewable or sustainably produced, should make no difference as long as the quality standards are met. He asked if any Task Force members intended to recommend standards that would support tracking of renewable or sustainably produced natural gas. He noted that tracking the different “types” of gas through pipeline would be nearly impossible. Mr. Desselle stated that tracking green electrons on the power system is not done physically and that he did understand that the concept had been offered by any members of the Task Force.  The participants further discussed the proposal of developing a standardized buy/sale agreement for renewable natural gas and whether it would be more appropriate as a standalone contract or as an addendum to the existing NAESB Base Contract. Mr. Koszalka stated that the terms of the NAESB Base Contract are more focused on performance and non-performance and that the renewable natural gas contracts that he has seen are best efforts based. He stated that he recommends developing a standalone contract and that he would provide a publicly available sample contract for the next meeting to review with the task force that demonstrates the differences. Mr. Connor stated that he would also provide a sample contract, and he asked Mr. Koszalka if the contracts he has administered had to be approved by a regulatory body. Mr. Koszalka responded that the price and attributes of the contract are approved in California. | | |
| **Plan for the December 11, 2020 Task Force Meeting** | Mr. Desselle stated that he will circulate an email using the Task Force email exploder that will describe the direction that seems to be coalescing around and try to frame up any questions that he believes need to be answered before the Task Force can move forward with a recommendation to the Board of Directors. The participants supported his recommendation. | | |
| **Adjourn** | The meeting adjourned at 1:59 PM Central. | | |
| **Work Papers Provided for the Meeting** | * Work Paper Submitted by G. Lander, Skipping Stone: <https://www.naesb.org//pdf4/bd_renewablenatgas111320w1.docx> * Work Paper Submitted by M. Agen, American Gas Association: <https://www.naesb.org//pdf4/bd_renewablenatgas111320w2.docx> * Work Paper Submitted by P. Koszalka, PG&E Core Gas Supply: <https://www.naesb.org//pdf4/bd_renewablenatgas111320w3.docx> | | |
| **NAESB Board Task Force on Renewable and Sustainably Produced Natural Gas Members** | | | |
| **Name** | | **Organization** | **Attendance** |
| Michelle Brocklesby | | Latitude Technologies, an ESG Company |  |
| Cade Burks | | Big Data Energy Services | Present |
| Valerie Crockett | | Tennessee Valley Authority | Present |
| Michael Desselle | | Southwest Power Pool | Present |
| Pete Koszalka | | Pacific Gas and Electric Company | Present |
| Greg Lander | | Skipping Stone, LLC | Present |
| Debbie McKeever | | Oncor Electric Delivery Company LLC |  |
| Gene Nowak | | Kinder Morgan Inc | Present |
| Jonathan Peress | | Southern California Gas Company | Present |
| Tim Simon | | TAS Strategies | Present |
| Rick Smead | | RBN Energy LLC |  |
| Terry Thorn | | JKM Energy & Environmental Consulting |  |
| Mark Zdenek | | ConocoPhillips Company |  |
| **OTHER ATTENDEES** | | | |
| **Name** | | **Organization** | |
| Matthew Agen | | American Gas Association | |
| Jonathan Booe | | North American Energy Standards Board | |
| Christopher Burden | | Enbridge (U.S.) Inc | |
| Pete Connor | | American Gas Association | |
| Bruce Ellsworth | | New York State Reliability Council | |
| Elizabeth Mallett | | North American Energy Standards Board | |
| Rae McQuade | | North American Energy Standards Board | |
| Joshua Phillips | | Southwest Power Pool | |
| Caroline Trum | | North American Energy Standards Board | |