##### April 23, 2024

**TO:** All Interested Parties

**FROM:** Caroline Trum, Director, Wholesale Electric Quadrant

**RE:** WGQ Standard Contract for the Sale and Purchase of Hydrogen

On April 4, 2024, at the recommendation of the NAESB Board Strategy Committee, the NAESB Board of Directors created a new assignment as part of the 2024 WGQ Annual Plan to develop a standard contract for the sale and purchase of hydrogen. The recommendation and subsequent action by the NAESB Board of Directors followed the March 13, 2024 webinar NAESB hosted, provided by the U.S. Department of Energy (DoE) DoE to present an update on the current status of development of the Regional Clean Hydrogen Hubs (H2Hubs) and the activities of the newly selected consortium created to accelerate demand-side mechanisms supportive of a clean hydrogen market. The presentation was intended to bring the industry and NAESB members up to speed as NAESB considered the development of a standard contract to support a purchase and sale agreement for hydrogen transactions.

Standards development in this area has been a provisional item on the WGQ Annual Plan since 2022, and in December 2023, the NAESB Board of Directors discussed making this an active development effort. As a consensus could not be reached, Chairman Desselle proposed the NAESB Board Strategy Committee continue discussions and make a recommendation for consideration at a future meeting. The NAESB Board Strategy Committee held a series of meetings between January and April 2024 to discuss the appropriate time to move forward with contract development, among other items. During the January 2024 meeting, NAESB Board Strategy Committee members suggested a workshop may be beneficial to better understand the activities underway within the hydrogen market. Based on this recommendation, NAESB reached out to the U.S. DoE regarding a potential webinar.

The development of a standard contract for the sale and purchase of hydrogen is assigned to the WGQ Contracts Subcommittee. Leadership is in the process of scheduling a kick-off meeting for later this year, and an announcement will be distributed once a date is identified.