##### August 23, 2024

**TO:** All Interested Parties

**FROM:** Amrit Nagi, Staff Attorney

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

On July 11, 2024, NAESB kicked off an industry-wide effort to develop a standardized contract for the sale and purchase of hydrogen. The NAESB Board of Directors approved this effort during their April 4, 2024, meeting and assigned it to the WGQ. The kickoff meeting, attended by over 50 participants from the natural gas, electric, and hydrogen sectors, covered NAESB’s standards development process, provided a hydrogen market overview, and discussed a framework for hydrogen purchase agreements. The presentation highlighted the U.S. Department of Energy (DoE) initiatives, the Open Hydrogen Initiative’s (OHI) protocols, and international model agreements from the Association of International Energy Negotiators (AIEN). Participants identified key areas for the standard contract, including carbon intensity and hydrogen transportation modes such as pipeline, truck, rail, and barge.

During a subsequent meeting on August 5, 2024, participants reviewed the strawman proposal that will serve as the basis for creating an initial draft of the NAESB Base Contract for the Sale and Purchase of Hydrogen. The proposal leveraged language from the NAESB Base Contract for Sale and Purchase of Natural Gas, updated to reflect current best practices, such as the default options for payment, and also integrated provisions from the Certified Gas Addendum to the NAESB Base Contract regarding certification and certificate tracking and references Energy Attribute Certification (EAC).

At the request of the Chair of the WGQ Contracts Subcommittee and consistent with past contracting efforts, a thirty-day informal comment period is being held on the strawman proposal to solicit feedback, questions, and work papers from any interested party, regardless of membership within NAESB. The comment period started on August 5, 2024, and will end on September 6, 2024. The WGQ Contracts Subcommittee will begin reviewing the industry-submitted feedback during its September 12, 2024, meeting and develop an initial draft of the NAESB Base Contract for the Sale and Purchase of Hydrogen.