##### October 7, 2024

**TO:** All Interested Parties

**FROM:** Amrit Nagi, Staff Attorney

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

As announced in the August 22, 2024, press release, NAESB recently held an industry-wide informal comment period regarding the draft strawman discussed by the WGQ Contracts Subcommittee to initiate the development of a standardized contract for the sale and purchase of hydrogen. This document includes terms and conditions leveraged from the NAESB Base Contract for the Sale and Purchase of Natural Gas and provisions from the NAESB Certified Gas Addendum related to certificate tracking and references to Energy Attribute Certification (EAC). It also incorporates provisions from the NAESB Master Agreement for the Purchase, Sale, or Exchange of Liquid Hydrocarbons regarding potential hydrogen transportation methods and includes a placeholder for the carbon intensity value.

The informal comment period closed on September 6, 2024, and seven sets of comments were submitted by industry participants. The WGQ Contracts Subcommittee met on September 17, 2024, to begin reviewing this feedback. The WGQ Contracts Subcommittee will continue work to develop an initial draft of the NAESB Base Contract for the Sale and Purchase of Hydrogen during the next meeting scheduled for October 17, 2024.

NAESB initiated this industry-wide effort on July 11, 2024. The NAESB Board of Directors directed the WGQ to begin standards development in this area during its April 4, 2024. Over 50 natural gas, electric, and hydrogen market participants joined the initial meeting, which included a review of the NAESB process for standards development, a comprehensive overview of the hydrogen market, and a discussion on a basic framework outline for a hydrogen purchase and sale agreement.