##### December 2, 2024

**TO:** All Interested Parties

**FROM:** Amrit Nagi, Staff Attorney

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

The WGQ Contracts subcommittee is continuing to meet to develop a standardized contract for the sale and purchase of hydrogen. An informal comment period was held regarding an initial draft of the NAESB Base Contract for the Sale and Purchase of Hydrogen. This draft was created by leveraging terms 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 Certificates (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, which closed on September 6, 2024, yielded seven sets of comments submitted by various industry participants, reflecting a broad spectrum of perspectives and priorities. The WGQ Contracts Subcommittee convened on September 12, 2024, to begin reviewing this feedback in detail. Discussions continued during an additional meeting held on October 17, 2024, where subcommittee members worked to address key concerns and refine the draft contract language to ensure clarity, practicality, and alignment with industry needs. The Subcommittee leadership anticipates a recommendation being completed during the first quarter in 2025.

This initiative was launched during a kickoff meeting on July 11, 2024, attended by over 50 participants from the natural gas, electric, and hydrogen sectors. The meeting highlighted key market trends, including DoE initiatives, the Open Hydrogen Initiative (OHI), and global hydrogen agreements. Key topics for the contract included carbon intensity tracking and transportation options such as pipeline, truck, rail, and barge.