



**Project Canary, PBC**  
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January 16, 2023

North American Energy Standards Board  
Mr. Keith Sappenfield  
WGQ Contracts Subcommittee  
1415 Louisiana Street  
Suite 3460  
Houston, TX 77002

**RE: Response to NAESB Request for Formal Comments**

Dear Mr. Sappenfield:

Project Canary appreciates the opportunity to provide formal comments regarding the Attachment A NAESB Certified Gas (CG) Addendum including Exhibit A (CG Transaction Confirmation) (jointly, the “Addendum”) and Attachment B, Revised NAESB Wholesale Gas Quadrant (WGQ) Contracts FAQ Document, that were recommended by the WGQ Contracts Subcommittee (the “Subcommittee”) on December 15, 2022. Project Canary participated in the Subcommittee meetings and provided oral and written comment throughout the process. Project Canary strongly believes the development of the Certified Gas market is best served by an addendum that all buyers and sellers can use to enable specific transactions in the marketplace.

**About Project Canary**

Project Canary is a technology and data company that offers a suite of services designed to help lower the environmental impact of natural gas production, transportation, and distribution, including rigorous, independent emissions monitoring and operational certification of responsibly sourced gas, or certified low emission gas, throughout the energy value chain. Project Canary’s robust, independent certification regime assesses both quantitative and qualitative metrics related to impacts on air, water, land, and communities.

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Project Canary has over 50 domestic operators that have availed themselves of the opportunity to certify their operations at the site/pad level. Most of these operators are currently transacting in domestic and international Certified Gas markets. It is important that the addendum developed by NAESB be a tool that can be used by any buyer and seller regardless of the certification entity they choose to work with.

In that spirit, Project Canary offers the following formal comments on the Addendum.

### **An Addendum for All**

The Subcommittee held many in-depth discussions surrounding the role and use of this Addendum. It was stated many times (and is documented in the minutes), that the role of this document was to enable transactions in the certified gas market. This is a nascent market, with many buyers and sellers still becoming educated on what constitutes certified gas and how it is transacted. Project Canary believes it is critical for this Addendum to reflect the entire market, and not be biased toward one certification provider or another. As this market is developing, there should be room for both small and large players, and those just beginning down the certification process should be able to take their place alongside more established participants.

Project Canary is pleased that this Addendum gives buyers and sellers the tool to transact in the voluntary certified gas market in which many producers are already transacting. The industry is building this market based on real environmental attributes, and we believe that certified low-methane natural gas can make a positive climate impact. The market is building credibility and learning through each transaction. It is important that as new players enter the market and different standards emerge, that this Addendum can continue to be used.

### **Certification**

Not all certification processes are the same, and at this stage of the Certified Gas market's development, Project Canary encourages the Executive Committee to support the language in the Addendum that fosters all certification types. The Subcommittee attempted to draft definitions and roles that could accommodate existing certification verification methods; however, there was general recognition that these could require revision in the future.

### **FAQs**

There was significant collaboration between many parties on the FAQs. The intention is to educate potential users of the Addendum not only on the use of the Addendum itself, but also on the nascent nature of the market. Project Canary feels the FAQ must reflect and represent all players in this industry, and the participants in the Subcommittee worked diligently to achieve this outcome.

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## Conclusion

Project Canary appreciates the Subcommittee's hard work and diligence on the Addendum and is pleased to submit these formal comments for consideration by the Executive Committee. We are proud to have participated in the process and appreciate the opportunity to continue to be involved.

Sincerely,

Brian Miller  
Senior Vice President of Public Policy & Growth  
Project Canary