**2022 NAESB WGQ Annual Plan Item: Responsibly Sourced Natural Gas Addendum**

**4/14/2022 NAESB Board of Director’s Motion Approved: Develop a Responsibly Sourced Natural Gas (RSG) Addendum to the NAESB Base Contract for various program offerings. (Underway)**

**10-06-2022:** NAESB WGQ Contracts Subcommittee (SC) initial meeting to define scope and start work.

Plan for development of draft Addendum (**10/06/2022**)

* 1. Meeting schedule (dates) at 2-4 PM.
     1. **Initial meeting held June 2, 2022**
     2. **Thursday, June 16, 2022**
     3. **Tuesday, June 28, 2022**
     4. **Thursday, July 21, 2022**
     5. **Tuesday, August 2, 2022**
     6. **Thursday, August 18, 2022**
     7. **Thursday September 15, 2022**
     8. **Thursday, September 29, 2022**
     9. **Thursday, October 6, 2022**
     10. **Thursday, October 25, 2022 (1:00 to 4:00 PM) (planned)**
     11. **Thursday, November 17, 2022 (1:00 to 4:00 PM) (planned)**
     12. **Tuesday, December 6, 2022 (1:00 to 4:00 PM) (if needed)**
  2. The above meeting dates and timing is based on the anticipated scope of the meetings:
     1. **October 6th** - continue review of Addendum’s Exhibit A and Exhibit B
     2. **October 25th (1-4 PM)** – Finalize review of Addendum, Exhibit A and Exhibit B including resolution of outstanding Parking Lot items (likely to be a balance vote on a few items). Discuss FAQs if time is available.
     3. **November 10th** – Due date for submittal to NAESB Office of any final comments on documents (Certified Gas Addendum, Exhibit A, Exhibit B, and FAQs) or actions (votes) as of the end of October 25th meeting.
     4. **November 17th** – Final meeting (1-4 PM) for review of Certified Gas Addendum, Exhibit A, Exhibit B, and FAQs and vote on recommendation.
  3. Updates to Cover Standard Section 3.2 (proposed or alternative) per discussion at **9/29 meeting**
  4. This discussion will take place after review of the addendum’s terms and conditions are updated on the **Parking Lot** on page 3. Comments and other items may require balance vote for resolution are organized under separate topics.
  5. Proposed Exhibit A – Transaction Confirmation
  6. Proposed Exhibit B – Attestation (as appropriate)
  7. Updated Base Contract FAQs with Certified Gas section is posted for the October 6th meeting.
  8. FAQ examples of Proforma Transaction Confirmation Exhibit A and Proforma Attestation Exhibit B will be discussed as possible work efforts.
  9. After completion and adoption of addendum and related documents as standard, work to continue to develop electronic dataset version of addendum including associated Technical Implementation of Business Process (TIBP) instructions.

Next meeting work efforts:

* Confirm date/time (**October 25 (Thursday), 2022, at 1-4 PM)**
* Request for group review and comment of the 10/06/2022 draft addendum.
* SC working documents for SC discussions will be posted for participants review approximately prior SC meeting.

**Parking Lot**:

* Discussion and possible Vote on **NAMING** convention for Addendum
  1. **EDF** “Contractually Certified Gas”
  2. **Project Canary** “Responsibly Sourced Gas”
  3. **MiQ**: do not use term RSG (marketing hype, not neutral, leads to greenwashing accusations)
  4. Retain placeholder: “Certified Gas”
* Discussion and possible Vote on terms and conditions related to **“Facility(ies)”:**
  1. MiQ: Proposed modification to “Facility(ies)” definition 2.47 and Exhibit A
  2. EDF: Multiple certifiers could be used for one facility and/or well. Once could certify the methane intensity, while another could certify one or more of the other ESG Attributes under a Certificate.
* Discuss and possible vote on approach for **Certificates, Certification, and Verification requirements and definitions**
  1. EDF: Certification program needs verification from an independent third party.
  2. Industry ‘best” practice for the CG transaction market:
     1. Addendum terms and conditions should require Certificates issued by a Certificate Authority,
     2. Certificates shall be verified by an independent third party, and
     3. Certificates be recorded in a “registry” or equivalent electronic database to track the certificate from initial creation/issuance by a Certification Authority, certificate transfers under a transaction, and ultimate retirement of a certificate, as applicable.
  3. COP - Addendum as strictly a **transactional tool** between buyers and sellers and structured in a way to maximize transactional possibilities.
     1. COP supports broader language to allow for transactions that utilize frameworks that provide measurement, reporting, and verification but don’t classify themselves as certifiers (e.g. OGMP). The currently contemplated draft forecloses the opportunity to utilize such frameworks and can unnecessarily pressure entities to use a narrow set of frameworks despite delivering the same or better results,
     2. NAESB should strive to develop contracts that simply facilitate transactions and allow the marketplace to define deal structure.
  4. ES: CG Attestation provides support and substantiates the contract quantity is tied to specific volumes of CG.
* **OTHER Terms:**
  1. Section 3.5 – CG Transaction identifying party responsible for Registry Tracking System, if applicable (option for Buyer/Seller no to specify any Registry Tracking System. Also Exhibit A – option under Registry Tracking System to designate “No”
  2. Section 16.1 – Alternative name for CG Spot Price as the value of the CG without certification under disqualified CG.
  3. Exhibit A; CG ESG Attributes: retain Buyer/Seller identifying the Methane Intensity Maximum % value. Review to confirm definition of methane intensity.
  4. Exhibit B: Attestation/ Transfer of Certificate: Review if Exhibit B anticipated to be of regular use.
* **FAQs:**
  1. Review current FAQ document posted for 10/06/2022 meeting.
  2. **EDF:** NAESB should commit to revisiting the addendum in two years after the industry gains additional experience with the certified gas market, e.g., producers.
* **Additional Principles**
  1. **MiQ:** NAESB adoption of “Principles”. No suggested principles for review.
* **General Comments:** 
  1. MiQ; Addendum permits arbitraging by sub standards which will lead (and has lead) to greenwashing/cherry picking accusations by outside stakeholders and allows for conflict.
  2. SPL reply to MiQ:—what are the options? Doing nothing because of accusations, some of which may be legitimate, some of which may not, doesn’t seem like the correct answer to not coming up with a facilitating contract.