

**National Conference of Regulatory Attorneys**  
**44<sup>th</sup> Annual Meeting – *Professional Growth in the City of Oaks***  
**Raleigh, North Carolina**

**Session 3: NAESB 101**

**May 12, 2025**



**NORTH AMERICAN ENERGY  
STANDARDS BOARD**



NORTH AMERICAN ENERGY  
STANDARDS BOARD

# NAESB 101

## Agenda

- Background on the Organization & Structure
- NAESB Standards Development Process
- Current Body of Standards
- Regulatory Interaction & Incorporation by Reference
- Recent & Ongoing Activities of Interest
  - Gas & Electric Coordination
  - Contracts for Certified & Renewable Natural Gas
  - Distributed Energy Resources
- Participation & Membership
- Q & A

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# **NAESB Background & Structure**

# Background

**1994**

GISB  
Founded

**2001**

NAESB  
Established

**30+**

Years of Standards  
Development

**4,000+**

Standards

American National  
Standards Institute  
(ANSI) Accreditation

**Oct.  
2001**

## Mission & Government Coordination

The North American Energy Standards Board serves as an industry forum for the development and promotion of standards to support the wholesale and retail natural gas and electricity markets

Department of  
Energy

Federal Energy  
Regulatory  
Commission

National  
Association of  
Regulatory Utility  
Commissioners

National Institute  
of Standards and  
Technology

North American  
Electric Reliability  
Corporation

National  
Petroleum Council

# Our Areas of Focus



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## WHOLESALE ELECTRIC

2000+ Market Standards  
9 Publications Since 2005

### Market Participation

- End Users
- Distribution/LSE
- Transmission
- Generation
- Marketers/Brokers
- Independent Grid Operators
- Technology and Services

The Electric Industry Registry  
e-Tag Functional Specification



## RETAIL MARKETS (GAS & ELECTRIC)

1700+ Market Standards  
11 Publications Since 2005



### Market Participation

- Retail Electric End Users/Public Agencies
- Retail Electric Utilities
- Retail Electric Service Providers/Suppliers
- Retail Gas Market Interests



## WHOLESALE GAS

600+ Market Standards  
16 Publications Since 1996

### Market Participation

- End Users
- Local Distribution
- Pipelines
- Producers
- Services

Common Coding  
System for Interstate  
Pipelines

# Governance & Structure

North American Energy Standards Board



NORTH AMERICAN ENERGY  
STANDARDS BOARD



## NAESB Board of Directors

- Sets Strategic Direction of Organization
- Develops & Adopts Quadrant Annual Plans
- Defines Procedures & Addresses Process Issues
- Supports External Communications & Coordination
- Manages Board Committees and Task Forces
- Sets Publication Schedules
- Adopts Annual Budget & Supports Revenue Generation



## NAESB Advisory Council

- Annual Meeting of Industry & Government Representatives
- Provides Insight & Advice the Board of Directors Concerning Long-term Planning



## NAESB Executive Committees

- Executes Quadrant Annual Plans
- Addresses Industry Standards Requests
- Oversees Standards Development Through Manages Subcommittees & Task Forces
- Votes to Adopt all NAESB Standards
- Proposes Quadrant Annual Plan Items and Publication Schedules



## NAESB Subcommittees & Task Forces

- Serve the Direction of the Executive Committees
- Occasionally Work Jointly with other Subcommittees and/or Quadrants
- Participation and Voting Open to Non-member Organizations

# Corporate Structure

Delaware 501(c)(6) Corporation



NORTH AMERICAN ENERGY  
STANDARDS BOARD

## Delaware The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "NORTH AMERICAN ENERGY STANDARDS BOARD, INC.", FILED IN THIS OFFICE ON THE TWENTY-EIGHTH DAY OF JANUARY, A.D. 2022, AT 8:35 O'CLOCK A.M.



2437969 8100  
SR# 20220283796

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

  
Jeffrey W. Bullock, Secretary of State

Authentication: 203316590  
Date: 05-02-22

- **Certificate of Incorporation**
- **Bylaws**
- **Quadrant Procedures**
- **NAESB Operating Practices**
- **Board Motions and Resolutions**
- **Various Memoranda of Understanding**

# American National Standards Institute

NAESB Accreditation



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The American National Standards Institute (ANSI) is a private, non-profit organization that administers and coordinates the U.S. voluntary standards and conformity assessment system. **Founded in 1918**, the Institute works in close collaboration with stakeholders from industry and government to identify and develop standards- and conformance-based solutions to national and global priorities.

# NAESB Bylaws Requirements

Overarching Policies



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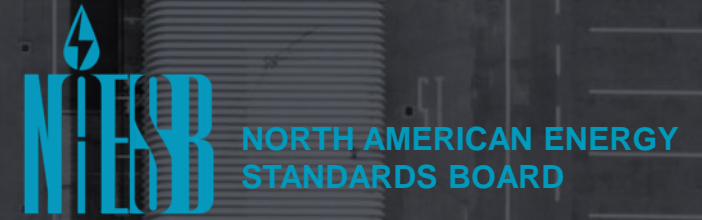
## Governing Principles

- Independence – Completely Industry Supported
- Openness – Transparent operations
- Voluntary – Not enforced
- Balance of Interests – No undue influence
- Consensus-Based Decisions – Voting rules
- No Advocacy – Education, not advocacy
- Membership Driven – Administrative Staff
- Develop Practices, Not Policy
- Broad Applicability – Cross-market when possible

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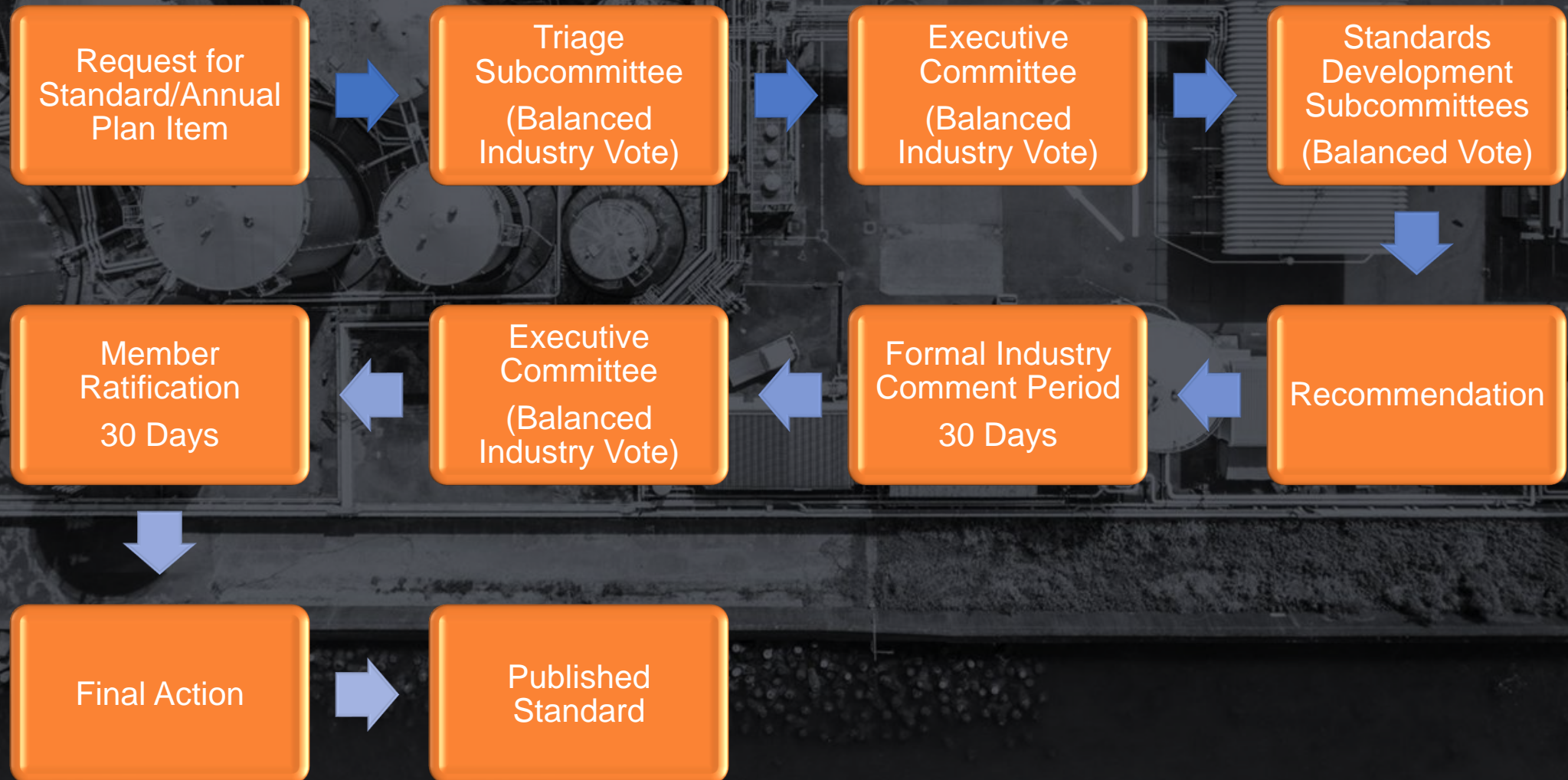
# **NAESB Standards Development Process**

# How are NAESB Standards Developed?



- The process is open and any interested party can participate and contribute to the standards development regardless of membership in NAESB.
- Non-member Meeting Participation Fee
- We average 20-25 meetings per month
- We average more than 700 participants by phone per month (GE Coordination meetings have had more than 500 individuals participate)
- All meetings are offered virtually to encourage and facilitate broad participation

# What is the Process?



# How are Standards Adopted by NAESB?



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## Meeting Protocols

- Meeting and voting protocols follow Roberts Rules of Order
- Parliamentary Procedure other than those defined in our Certificate, Bylaws or Operating Practices is “Modern Parliamentary Procedure” published by the American Psychological Association
- Subcommittees utilize a "balanced" segment voting process to forward recommendations on standards development
- Voters are not required to be members in subcommittees
- Executive Committee approval requires a "super-majority"
- Membership ultimately ratifies all standards

# How are Standards Adopted by NAESB?



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## Voting Requirements

- Board of Directors\* --  
(governance) 75% of Directors  
40% of each segment
- Executive Committee\* --  
(standards) 67% of each quadrant  
40% of each segment
- Subcommittees --  
(standards) 50% balanced across  
segments of each quadrant\*\*

\* Segment voting thresholds are applied to fully populated segments

\*\* Each segment has up to two votes apportioned equally over those segment attendees present; one company – one vote

# Are There Other Actions That NAESB Takes?



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- Minor Corrections – Simple Majority
- Models – Simple Majority
- Specifications – Simple Majority
- Interpretations – Super Majority
- Standards Manual Text, Illustrations, Business Process descriptions – Simple Majority

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# **Current Body of NAESB Standards**

# Retail Markets Quadrant (RMQ) Version 4.0



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## RMQ Model Business Practices:

- Market Participant Interactions
- Creditworthiness
- Billing and Payments in Competitive Energy Markets
- Electronic Delivery Mechanism
- Contracts
- Internet Electronic Transport
- Retail Customer Information Model
- Retail Customer Billing and Payment
- Retail Customer Enrollment, Drop, Change
- Retail Customer Enrollment, Drop, Change Registration Agent
- Inquiries
- Measurement & Verification (M&V) of DR Programs
- Service Request Disconnect & Reconnection
- Smart Grid
- M&V of Energy Efficiency Programs
- Green Button
- Data Privacy
- Supplier Marketing Practices
- OpenField Message Bus
- Enrollment, Drop and Account Information in DR Programs
- Enrollment, Drop and Account Information in DR Programs for Registration Agent Marketplace
- Self Deployment of a DR Program by a DR Service Provider
- Cybersecurity
- Distribution Services Supporting Retail Electric Interactions

- Last Published: December 13, 2023, Version 004
- Next Publication: Dependent on standards developed

# **Wholesale Electric Quadrant (WEQ) Version 004**



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## **Standards for Business Practices and Communication Protocols for Public Utilities:**

**OASIS Business Practices**

**OASIS S&CP**

**OASIS Data Dictionaries**

**Coordinate Interchange\***

**ACE Equation Special Cases\***

**Manual Time Error Correction\***

**Inadvertent Interchange Payback\***

**Transmission Loading Relief\***

**Energy Efficiency M & V**

**Contracts**

**Standards of Conduct**

**Gas/Electric Coordination**

**Public Key Infrastructure**

**eTariff**

**Demand Response M & V**

**Smart Grid**

- **Last Published: July 31, 2023, Version 004**
- **On November 22, 2024, FERC Order No. 676-K incorporated Version 004 into the FERC Regulations**
- **Next Publication: Dependent on standards developed**

# **Wholesale Gas Quadrant (WGQ) Version 4.0**



**NORTH AMERICAN ENERGY  
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## **Standards for Business Practices of Interstate Natural Gas Pipelines:**

**Cybersecurity**

**Creditworthiness**

**Nominations**

**Flowing Gas**

**Invoicing**

**Electronic Delivery Mechanisms**

**Capacity Release**

**Contracts**

**Internet Electronic Transport**

**Gas-Electric Coordination**

**eTariff**

**Gas Quality**

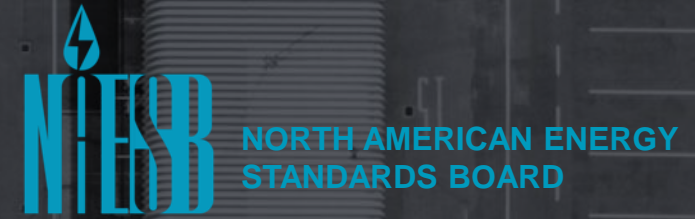
- **Last Published: September 29, 2023, Version 4.0**
- **On November 22, 2024, FERC Order No. 587-AA incorporated Version 4.0 into the FERC Regulations**
- **Next Publication: Dependent on standards developed**

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# **Regulatory Interaction & Incorporation by Reference**

# NAESB Standards Are Voluntary

## Regulatory Relationship



- From the organization's perspective, all standards are voluntary and may be provided to regulatory agencies as status reports as they are published.
- Regulatory agencies may choose to adopt standards or model business practices, but NAESB will not advocate such action.
- The organization does not monitor for compliance, provide performance measures for compliance, nor will it define sanctions for non-compliance.
- NAESB does not set policy. We defer to state and federal agencies in determining policy.
- NAESB work products are intended to focus on the implementation of policy decisions
- NAESB standards and model business practices may recommend practices for alternative regulatory models but leave the decision as to the appropriate policy or model to the regulators.

# Incorporation by Reference

## What is it?

- IBR is a practice by federal, state, local, and Tribal authorities of referencing standards into regulations.
- The materials IBR'd into federal regulation are available to the public at a federal library, but to access the standards, the individual standards bodies housing the standards should be contacted
- Must be made reasonably available



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### EXAMPLE OF INCORPORATION BY REFERENCE

Title 33: Navigation and Navigable Waters

PART 1 01—MARITIME SECURITY: GENERAL

Subpart C—Communication (Port—Facility—Vessel)

§ 101.310 Additional communication devices.

(a) Alert Systems. Alert systems, such as the ship security alert system required in Safety of Life at Sea (“SOLAS”) Chapter XI-2, Regulation 6 may be used to augment communication and may be one of the communication methods listed in a vessel or facility security plan under part 104, 105, or 106 of this subchapter. SOLAS Chapter XI-2, Regulation 6 (2006) is incorporated by reference into this section with the approval of the Director of the Federal Register under 5 U.S.C. 552(a) and 1 CFR part 5.1. To enforce any edition other than that specified in this section, the Coast Guard must publish a document in the *Federal Register* and the material must be available to the public. This incorporation by reference (IBR) material is available for inspection at the Coast Guard and at the National Archives and Records Administration (NARA). Contact Coast Guard at: Commandant (CG-NAV), U.S. Coast Guard Stop 7418, Attn: Office of Navigation Systems, 2703 Martin Luther King Jr. Ave. SE., Washington, DC 20593-7418; telephone 202-372-1565. For information on the availability of this material at NARA, visit [www.archives.gov/federal-register/cfr/ibr-locations.html](http://www.archives.gov/federal-register/cfr/ibr-locations.html) or email [fr.inspection@nara.gov](mailto:fr.inspection@nara.gov). The material may be obtained from the International Maritime Organization (IMO) Publications Section, 4 Albert Embankment, London SE 1 7SR, United Kingdom; +44 (0)20 7735 7611; [www.imo.org](http://www.imo.org).

(b) Automated Identification Systems (AIS). AIS may be used to augment communication, and may be one of the communication methods listed in a vessel security plan under part 104 of this subchapter.

# Incorporation by Reference

Federal Energy Regulatory Commission



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The National Technology Transfer and Advancement Act of 1995: Directs Federal agencies and departments to use technical standards developed by voluntary consensus bodies, unless impractical or inconsistent with applicable law.

OMB Circular A-119: The policies of OMB Circular A-119 are intended to: (1) encourage federal agencies to benefit from the expertise of the private sector; (2) promote federal agency participation in such bodies to ensure creation of standards that are useable by federal agencies; and (3) reduce reliance on government-unique standards where an existing voluntary standard would suffice.

Wholesale Electric Quadrant Standards for Business Practices and Communication Protocols for Public Utilities

- Docket No. RM05-5
- 18 CFR Parts 2 and 38

Wholesale Gas Quadrant Standards for Business Practices of Interstate Natural Gas Pipelines

- Docket No. RM96-1
- 18 CFR Part 284

# Utilization by State Commissions

## Bases for State Rulemaking



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- All retail electric and retail gas standards are provided to the National Association of Regulatory Utility Commissioners for distribution to interested state commission staff.
- The NAESB record of minutes, work papers, voting, comments related to the standards are available for review and will be provided upon request to any state commission, including all minority positions noted in comments.
- Related transcripts from EC, Board and other subcommittee or task force meetings are also made available upon request to any state commission and can be purchased by any other interested party.
- Any state commission can join NAESB with membership fees paid by NARUC.

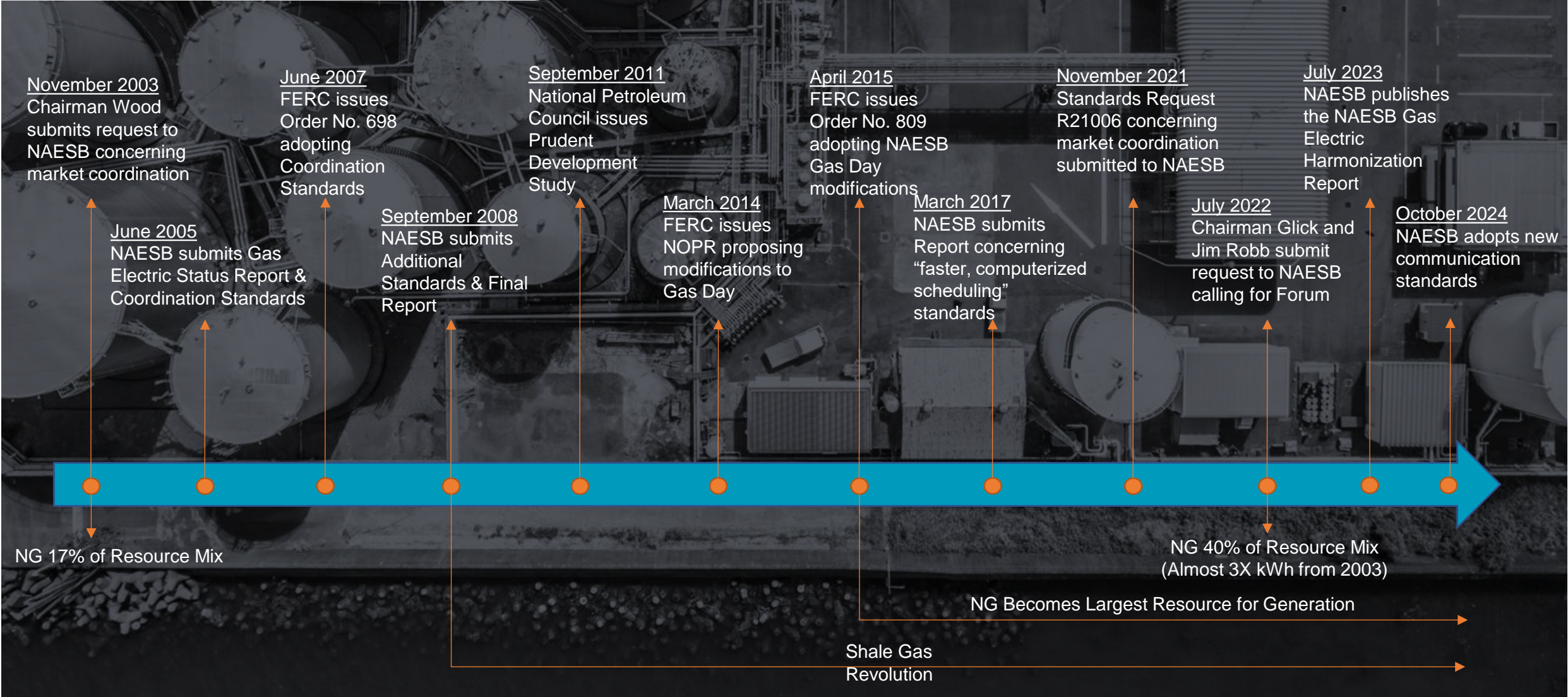
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# **Recent & Ongoing Activities of Interest**

## **Gas-Electric Market Coordination**

# NAESB GE Coordination

## Timeline of Previous Activities



# NAESB GEH Forum

## Meetings & Participation



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North American Energy Standards Board  
Gas Electric Harmonization Forum Report  
July 28, 2023



Wholesale Electric



Retail Electric



Wholesale Gas

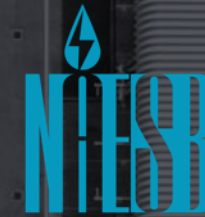


Retail Gas

- NAESB held 14 meetings open to the public from August 2022 through July 2023
- 741 individuals from 375 companies participated in the meetings
- 145 sets of comments were submitted from 68 different organizations
- 20 recommendations included in final report
- The 20 recommendations were subjected to vote by the GEH Forum participants and 111 votes were submitted on per company basis, consistent with NAESB procedures.
- The votes were tabulated using the NAESB balanced voting process to show support or opposition on a market and market segment basis.
- Final Report delivered to FERC & NERC on July 28. A full record, including the voting results, were described in the report.

# 2022 Winter Storm Elliott Report

October 2023



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## NAESB Business Practice Subcommittees

- 10 Joint Meetings – January to July 2024
- Cross Market Collaboration
- Adopted November 25, 2024
- Three Changes to the NAESB WGQ Business Practice Standards
  - EBB GE Area
  - Critical Notice Data
- Submitted to the FERC on December 3, 2024

### **Inquiry into Bulk-Power System Operations During December 2022 Winter Storm Elliott**

FERC, NERC and Regional Entity Staff Report  
October 2023



# Chairs' Work Paper

Concepts Only Presented to  
Solicit Discussion



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## Ad hoc Work Paper on Gas-Electric Communication Submitted by BPS Chairs

1. There may be limited understanding of pipeline-initiated confirmation and/or nominations reductions that are not captured in OFOs and/or underperformance notices as this is hard to discern from operationally available data.
2. There is a lack of communication during extreme weather events of upstream supply issues, including invocations of force majeure, by parties with direct knowledge to critical stakeholders who are not part of the transactional and operational chain (e.g., Pipeline Operators, RTO/ISO). Consistent and ongoing communication primarily only occurs between parties with operational and/or contractual connections; therefore, only directly affected parties understand their real-time positions and situation, except in instances where such information is part of pipeline Critical Notices.
3. Because many end users purchase their gas from various parties rather than directly from producers and such gas can be transacted multiple times (i.e. "daisy-chain"), certain transactional communications, even ones as critical as force majeure, may take significant time (e.g., days) for information to flow through to all stakeholders.
4. Certain interstate pipeline Informational Postings lack specific location information to help parties better understand the area covered by the posting. (This is currently being discussed by the joint subcommittees.)
5. There may be limited stakeholder distribution and/or unclear and/or no communication of recovery timelines and expectations when supply is lost due to weather and/or operational disruptions. For example, interstate natural gas pipelines may observe a difference between shipper nominations and actual gas flows or system pressure changes. While the difference might indicate supply disruptions upstream, the difference does not indicate what is occurring or the anticipated length of the event.
6. There may be limited and/or delayed communication from end-users to pipeline operators of non-ratable or other consumption patterns that deviates from contractual commitments.

# Gas Electric Coordination Activities

Current & Future Activities



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## NAESB Activities

- December 3, 2024: NAESB Report to FERC concerning WGQ Gas Electric Coordination Business Practices Standards (Docket No. RM96-1)
- 2025 WEQ/WGQ/RMQ Annual Plans: Upon a request or as directed by NAESB Board or a relevant jurisdictional entity, develop and/or modify business practice standards, as needed, in response to industry reports as presented in 2025

## External Activities

- April 30, 2025: Second Meeting of Federal-State Current Issues Collaborative (Docket No. AD24-7)
- November 2025: Gas-Electric Alignment for Reliability (GEAR) Working Group
  - Natural Gas Readiness Forum, "Forum"
  - Natural Gas Infrastructure Recommendation



# **Recent & Ongoing Activities of Interest**

## **Contracts for Certified & Renewable Natural Gas**

# Background on NAESB Contracts

## Fast Facts on Gas Contract

### NAESB Base Contract for Sale & Purchase of Natural Gas



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- Adopted by GISB/NAESB in 1996 with updates in 2000, 2002, and 2006
- >90% of short-term gas trades (est.)
- Addenda to Base Contract
  - Credit Support Addendum (2003)
  - Canadian Addendum (2007)
  - Government Acquisition Provisions (2012)
  - Mexican Addendum (2017)
  - Renewable Natural Gas Addendum (2025)
  - Certified Natural Gas Addendum (2023)
- Digitalized Version of the Contract for use with DLT

# NAESB Renewable Natural Gas

## Base Contract Addendum



- Adopted in March 2023
- Key Features:
  - Streamline RNG Transaction: Provides standardized terms and conditions
  - Supports Voluntary & Regulated Markets (e.g., state renewable portfolio standards, EPA RFS)
  - Certification & Verification: Incorporates processes for certifying and verifying RNG’s environmental attributes.
  - Environmental Attribute Tracking: Facilitates the trading and tracking of Carbon Credits, RECs, etc.
  - Updated in response to EPA’s Biogas Regulatory Reform Rule:
  - Incorporates provisions aligned with RIN generation requirements, enhanced support for EPA’s Moderated Tracking System (EMTS) data handling
  - Strengthens mechanisms for attribute tracking and verification and interoperability with federal and state RNG programs

Base Contract for Sale and Purchase of Natural Gas

Renewable Natural Gas Addendum

This Renewable Natural Gas Addendum ("RNG Addendum") is entered into as of the following date: \_\_\_\_\_ (the "Effective Date") by and between Party A and Party B as set forth below, subject to and governed by the Base Contract for Sale and Purchase of Natural Gas indicated in the table below ("Base Contract").

The parties to this RNG Addendum are the following:

PARTY A [INSERT COUNTERPARTY LEGAL ENTITY NAME]	PARTY NAME BASE CONTRACT NUMBER BASE CONTRACT DATE	PARTY B [INSERT COUNTERPARTY LEGAL ENTITY NAME]

WHEREAS Party A and Party B are parties to the Base Contract; and

WHEREAS the parties desire to set forth the additional terms and conditions related to RNG Transaction Confirmations for the purchase and sale of Renewable Natural Gas ("RNG") whereby one party will be purchasing and receiving the RNG and the other party will be selling and delivering the RNG.

NOW, THEREFORE, in consideration of the premises and agreements set forth hereinafter, the sufficiency of such consideration being acknowledged by the parties, the parties hereby agree as follows:

This RNG Addendum constitutes an addendum to the Base Contract and supplements and amends the Base Contract for RNG transactions. Capitalized terms used in this RNG Addendum which are not herein defined will have the meanings ascribed to them in the Base Contract or, if not defined in the Base Contract or defined differently in an RNG Transaction Confirmation, in the RNG Transaction Confirmation.

For the purchase and sale of RNG under the Contract and an RNG Transaction Confirmation, the parties agree the following Sections shall supersede and apply in lieu of or in addition to, as applicable, the like-numbered Sections of the Base Contract.

1.1 These General Terms and Conditions are intended to facilitate purchase and sale transactions of RNG on a Firm or Interruptible basis. "Buyer" refers to the party receiving RNG and "Seller" refers to the party delivering RNG. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

1.3 If a sending party's RNG Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via ECS by the Confirm Deadline, unless such receiving party has previously sent an RNG Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party by ECS or in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's RNG Transaction Confirmation; provided, for an RNG Transaction Confirmation using NAESB WGO Standard No. 6.4.2 RNG dataset sent via ECS, the receiving party shall notify the sending party via ECS of receiving party's acceptance or dispute of the RNG Transaction Confirmation. If there are any material differences between timely sent RNG Transaction Confirmation governing the same transaction, then neither RNG Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the RNG Transaction Confirmation. In the event of a conflict among the terms of (i) a binding RNG Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Special Provisions to the Base Contract, if applicable, (iv) this RNG Addendum, (v) other addendums to the Base Contract executed between the parties, and (vi) the General Terms and Conditions of the Base Contract and the selections of the parties on its cover pages, the terms of the documents shall govern and have priority in the sequence listed in this sentence.

2.17 "ECS" shall mean a secure electronic communication exchange of (i) this Contract, (ii) RNG Transaction Confirmations, or (iii) invoices under Section 7. ECS may be performed using: (a) encryption of the exchanged document, (b) encryption of the exchanged communication, (c) secured through a secure login via NAESB WGO EBB/EDM, or (d) a facsimile sent through a secured fax server. ECS may be implemented by the parties or by using one or more third-party service providers. It is the responsibility of each of the counterparties to ensure the selected third-party service provider(s) communicates in a secure or encrypted manner.

2.20 "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane. Except as otherwise provided in an RNG Transaction Confirmation, "Gas" refers to the physical gas component of RNG independent of the associated Environmental Attributes. In addition, under an RNG Transaction Confirmation, references to "Gas" under Section 3.2 to calculate the payment due also means "RNG" that complies with the Applicable Program.

2.27 "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due.

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All Rights Reserved Page 1 of 9 March 8, 2023

# NAESB Certified Natural Gas

## Base Contract Addendum



NORTH AMERICAN ENERGY  
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### Base Contract for Sale and Purchase of Natural Gas

#### Certified Gas Addendum

This Certified Gas ("CG") Addendum ("CG Addendum") is entered into as of the following date: \_\_\_\_\_ (the "Effective Date") by and between Party A and Party B as set forth below, subject to and governed by the Base Contract as set forth below, (the Base Contract and together with this CG Addendum and any Transaction Confirmation(s), including CG Transaction Confirmation(s) as defined hereinafter).

The parties to this CG Addendum are the following:

PARTY A	PARTY B
[INSERT COUNTERPARTY LEGAL ENTITY NAME]	[INSERT COUNTERPARTY LEGAL ENTITY NAME]
	BASE CONTRACT NUMBER
	BASE CONTRACT DATE

WHEREAS Party A and Party B are parties to the Base Contract; and

WHEREAS the parties desire to set forth the additional terms and conditions related to CG Transaction Confirmations for the purchase and sale of Certified Gas ("CG" as defined hereinafter) whereby one party will be purchasing and receiving the CG and the other party will be selling and delivering the CG.

NOW, THEREFORE, in consideration of the premises and agreements set forth hereinafter, the sufficiency of such consideration being acknowledged by the parties, the parties hereby agree as follows:

This CG Addendum constitutes an addendum to that certain Base Contract, as set forth above, between the parties, and supplements and amends the Base Contract affecting Gas and/or CG Transaction Confirmations governed thereby. Capitalized terms used in this CG Addendum which are not herein defined will have the meanings ascribed to them in the Base Contract, or the CG Transaction Confirmations, as applicable.

For the purchase and sale of CG pursuant to a CG Transaction Confirmation under this CG Addendum, the parties agree to the following revisions to the Base Contract:

Sections 1.3 and 2.20 are hereby deleted in their entirety and replaced with the following:

1.3 If a sending party's CG Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via ECS by the Confirm Deadline, unless such receiving party has previously sent a CG Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party by ECS or in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's CG Transaction Confirmation; provided, if the parties have agreed to use NAESB WCO Standard No. 6.4.2, the CG dataset may be sent via ECS, and in such case the receiving party shall notify the sending party via ECS of receiving party's acceptance or dispute of the CG Transaction Confirmation. If there are any material differences between timely sent CG Transaction Confirmation governing the same transaction, then neither CG Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the CG Transaction Confirmation. In the event of a conflict among the terms of (i) a binding CG Transaction Confirmation pursuant to the terms of this CG Addendum, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Special Provisions to the Base Contract, if applicable, (iv) the CG Addendum, (v) other addendums to the Base Contract governing CG Transactions executed between the parties, and (v) the General Terms and Conditions of the Base Contract, the terms of the documents shall govern and have priority in the sequence listed in this sentence.

2.20 "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane which for purposes of any CG Transaction Confirmation, shall also include Certified Gas ("CG"). Except as otherwise provided in a CG Transaction Confirmation, "Gas" refers to the physical gas component of CG independent of the associated ESG Attributes. In addition, under a CG Transaction Confirmation, references to "Gas" under Section 3.2 to calculate the payment due also means CG that matches the Certificate information.

The following definitions are added under Section 2 Definitions:

2.36 "Applicable Certification" shall mean the program and rating agreed to between the parties with respect to the CG being sold and purchased under a CG Transaction Confirmation.

- Also adopted March 2023
- Key Updates to Base Contract Provisions
  - Updated Cover Standard
  - New Definition of "Certified Gas"
- New Sections/Subsections:
  - Transaction Confirmations, Audit, Applicable Law, Disqualified Gas
- Transaction Confirmation Enhancements
  - Environmental Attributes, Verification Authority, Registry System
- Additional Information
  - FAQ Section for clarification on updates

# NAESB Contract Related Activities

Hydrogen, Certified Gas, GHG Tracking



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## Other Areas of Focus

- Department of Energy MMRV Framework
  - Greenhouse Gas Supply Chain Emissions Measurement, Monitoring, Reporting, and Verification (MMRV) Framework
- National Petroleum Council 2024 Study - Charting the Course: Reducing GHG Emissions from the U.S. Natural Gas Supply Chain
  - The NPC recommends standards-setting bodies develop mechanisms to enable utilities, gas marketers, and consumers of natural gas to differentiate lower GHG intensity natural gas, specifically providing recognized standards, frameworks, and metrics for buyers and sellers to incorporate into gas transaction contracts. These standards should be measurement-based where feasible.
- NAESB Base Contract for the Purchase and Sale of Hydrogen
  - Ten meetings from July 11, 2024 to February 19, 2025 – 45 Companies
  - Coordination with AIEN, Open Hydrogen Initiative, ISDA

The background of the slide features a complex, abstract pattern. It consists of multiple concentric circles that intersect with a grid of small squares. The squares are arranged in a way that creates a sense of depth and movement, with some squares appearing to be in the foreground and others receding into the background. The overall color scheme is light gray and white, with the text providing a strong contrast in blue.

# **Recent & Ongoing Activities of Interest**

## **Distributed Energy Resources**

# NAESB Distributed Energy Resources Activities

## Grid Services Standardized Contract

# NAESB Base Contract for the Sale and Purchase of Distribution Grid Services from DER Aggregations

- Adopted December 2024
- Key Features:
  - Supports bilateral contract negotiations between distribution utilities and DER aggregators
  - Developed at the request of the US DoE, with input from over 80 stakeholders
  - Includes Conditions Precedent Addendum for required approvals.
  - Establishes performance metrics and payment terms, allocates risks and liabilities, and includes data sharing provisions with confidentiality safeguards
- 2025 RMQ Annual Plan
- Develop DLT model business practices to support automation of this contract

**Base Contract for Sale and Purchase of Distribution Grid Services from DER Aggregations**

This Contract is entered into as of the following date: \_\_\_\_\_

The parties to this Contract are the following:

PARTY A (INSERT COUNTERPARTY LEGAL ENTITY NAME)		PARTY NAME	PARTY B (INSERT COUNTERPARTY LEGAL ENTITY NAME)	
		ADDRESS		
WWW.		BUSINESS WEBSITE	WWW.	
		CONTRACT NUMBER		
		D-U-N-S NUMBER		
<input type="checkbox"/> US FEDERAL: <input type="checkbox"/> OTHER:		TAX ID NUMBERS	<input type="checkbox"/> US FEDERAL: <input type="checkbox"/> OTHER:	
		JURISDICTION OF ORGANIZATION		
<input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other		COMPANY TYPE	<input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other	
		GUARANTOR (IF APPLICABLE)		
<b>CONTACT INFORMATION</b>				
ATTN: _____ TEL: _____ FAX: _____ EMAIL: _____		• COMMERCIAL	ATTN: _____ TEL: _____ FAX: _____ EMAIL: _____	
ATTN: _____ TEL: _____ FAX: _____ EMAIL: _____		• ATTESTATION	ATTN: _____ TEL: _____ FAX: _____ EMAIL: _____	
ATTN: _____ TEL: _____ FAX: _____ EMAIL: _____		• CONTRACT AND LEGAL NOTICES	ATTN: _____ TEL: _____ FAX: _____ EMAIL: _____	
ATTN: _____ TEL: _____ FAX: _____ EMAIL: _____		• CREDIT	ATTN: _____ TEL: _____ FAX: _____ EMAIL: _____	
ATTN: _____ TEL: _____ FAX: _____ EMAIL: _____		• TRANSACTION CONFIRMATIONS	ATTN: _____ TEL: _____ FAX: _____ EMAIL: _____	
<b>ACCOUNTING INFORMATION</b>				
ATTN: _____ TEL: _____ FAX: _____ EMAIL: _____		• INVOICES • PAYMENTS • SETTLEMENTS	ATTN: _____ TEL: _____ FAX: _____ EMAIL: _____	
BANK: _____ ABA: _____ OTHER DETAILS: _____		WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ OTHER DETAILS: _____	
BANK: _____ ABA: _____ OTHER DETAILS: _____		ACH NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ OTHER DETAILS: _____	

# NAESB Distributed Energy Resources Activities

## Completed & Planned 2025 Activities



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### ➤ Cybersecurity

- Wholesale and Retail Market Joint Activity
  - Review cybersecurity protections, such as Public Key Infrastructure (PKI), that may be necessary to secure electronic communications for distributed energy resources (DERs), and develop business practices as needed
  - No action at this time

### ➤ Registry Interoperability

- Wholesale and Retail Market Joint Activity
  - Consider and develop business practices to support the integration of DER/DER aggregation registries by the industry
- First meeting held on April 21, 2025 & completion date TBD

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# **Participation & Membership**

# NAESB Membership & Participation

How to Stay Up-to-Date



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## Monitoring NAESB Activities

- NAESB Update Calls
  - June 11, 2025 at 2:00 PM Eastern
- NAESB Bulletin
- NAESB Board/Subcommittee Meeting Minutes
- NAESB Annual Plans
- NAESB Membership

## Contact Information

- Website: [www.naesb.org](http://www.naesb.org)
- Phone – 713-356-0060
- Fax – 713-356-0067
- Email – [naesb@naesb.org](mailto:naesb@naesb.org)

*For further information on the organization,  
please contact NAESB Staff at  
713-356-0060 or [naesb@naesb.org](mailto:naesb@naesb.org).*



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