CERTIFIED NATURAL GAS

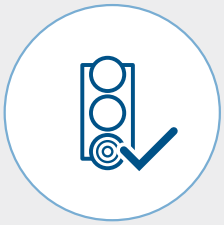
Lower Emissions through Cleaner Sourcing and Production

WHAT IS CERTIFIED NATURAL GAS?

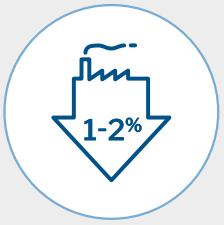
While the extraction and production of all natural gas must meet a variety of environmental regulations, "certified" natural gas meets best practices that go above and beyond. Certified natural gas offers a practical, cost-effective and near-term option to reduce greenhouse gas (GHG) emissions to combat climate change. Similar to other independent, third-party environmental evaluations, such as LEED certification for buildings or ENERGY STAR designation for appliances, certified natural gas is produced using standards and processes that result in reduced environmental impacts, including lower GHG emissions. Natural gas companies can ensure lower emissions intensity of the gas that they purchase and deliver to customers by purchasing from wells/producers that meet specific criteria.

WHAT ARE BENEFITS OF CERTIFIED GAS?

LOW COST SOLUTION



READY NOW



EMISSIONS REDUCTIONS

TRACKING AND TRACEABILITY

Washington Gas
A WGL Company

AltaGas

HOW IS NATURAL GAS CERTIFIED?

Independent third-party companies evaluate, and rate individual wells and even entire producing regions using evaluation criteria that are above and beyond current regulations.

Gas wells and related facilities are scored with the highest ratings given to those meeting the most stringent environmental standards. Certified gas from the most highly rated wells often commands a slightly higher price.

MEASURABLE ENVIRONMENTAL BENEFITS

Today it is possible to track commodities with specific attributes, such as certified natural gas, all the way from source to a local distribution company, like Washington Gas.

Efforts are also underway to identify and separate the environmental attributes associated with certain gas producers on a nationwide basis. This initiative would use “Big Data” and ultimately separate the attribute from the physical gas so that they could be acquired and/or traded on exchanges, just like Renewable Energy Credits (RECs) or Renewable Identification Numbers (RINs) that are currently used to track environmental attributes.

PART OF THE WASHINGTON GAS CLIMATE BUSINESS PLAN

Washington Gas has proposed purchasing certified natural gas as part of its strategy to reduce GHG emissions. The company is currently in talks with the Rocky Mountain Institute and others to more clearly quantify GHG emissions reductions from gas supply produced by best practice companies.

With the necessary government policy and regulatory support, certified natural gas can be blended into existing gas supply and is expected to result in a 2 - 4 percent GHG reduction by 2032. While a relatively small contribution to our overall reduction efforts, the imperative to address climate change in the short term compels immediate action, particularly when such action has few barriers to implementation, due it its relatively low cost (in comparison to other emission reduction strategies) and availability, and its alignment with Washington Gas’ Green Procurement Policy. Procurement of certified gas will require approval by the public service commissions that oversee Washington Gas’ customer rates.

WHAT ARE THE CRITERIA USED TO EVALUATE GHG EMISSIONS?

There are different criteria for certification, but in general, evaluations include:

- Performance Metrics and Data
- On-site Testing
- Procedures and Timelines for Corrective Actions
- Documented Estimates of Venting Volume
- Methane Intensity Thresholds