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July 31, 2025

Ret. Colonel Thomas Golden Executive Director Nebraska Public Service Commission 1200 N Street, Suite 300 Lincoln, NE 68508

Re: Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy

Green Forward program f/k/a Voluntary Renewable Natural Gas Program Report

Commission Application No. NG-117

Dear Ret. Col. Golden:

The Green Forward program became available for customer enrollment in January 2023. The Green Forward program provides Nebraska customers the opportunity to purchase carbon offsets from projects that reduce or prevent the release of greenhouse.

Pursuant to the Order Approving the Application issued on December 13, 2022, Commission Application No. NG-117, Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy ("Black Hills" or "Company") respectfully submits this Green Forward f/k/a Voluntary Renewable Natural Gas Program ("Green Forward program") Report ("Report").

The attached Report includes program performance updates for January 1, 2024, through December 31, 2024, and cumulative performance for January 1, 2023, through December 31, 2024.

Respectfully submitted,

/s/ Douglas J. Law

Douglas J. Law, Bar #19436 Associate General Counsel

DL:ce

cc: psc.naturalgas@nebraska.gov

Brooke Bassell-Herman

Tatyana Bannan Kevin Jarosz Eben Nordahl



Green Forward Program - Report - Through December 31, 2024

On December 13, 2022, the Nebraska Public Service Commission ("Commission") approved Black Hills/Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy ("Black Hills" or "Company") Green Forward program (Order Approving Black Hills' Application, Docket No. NG-117. The Green Forward program was launched in January 2023 and first marketed to Nebraska customers starting in May 2023.

The Report provides the following Green Forward program details:

- 1. Program Participation Summary
- 2. Comparisons of Nebraska to other Black Hills jurisdictions
- 3. Deferred Account Balance
- 4. Green-e® Compliance Status
- 5. Marketing and Communications Summary
- 6. Supported Projects Summary
- 7. Attachment A Marketing Materials

We offer a voluntary renewable natural gas and carbon offset program, called Green Forward, for all eligible residential and business natural gas customers. The program is an easy, costeffective, and flexible way for participants to address up to 100% or more emissions associated with their natural gas use. The program is designed as a comprehensive four-year pilot program running through 2026.

The Green Forward program provides eligible customers the opportunity to purchase renewable natural gas certificates from projects that support the production of renewable fuel from projects such as landfills, farms, and wastewater treatment plants, as well as carbon offsets from projects that reduce or prevent the release of greenhouse gases such as forestry management, grassland and wetlands preservation.

The Green Forward program is operational in all Black Hills Energy natural gas states. The program has been approved as a regulated offering to customers in Arkansas, Kansas, Nebraska, and Wyoming. The program operates as a non-regulated offering in Colorado and Iowa. Since the introduction of the pilot program in 2023, over 500 customers have joined the Green Forward community. In 2024, program participants addressed the carbon emissions from approximately 157,583 therms of usage. That is the amount of natural gas needed to power 2,351 homes for a month, based on the average residential usage of 67 therms per month.



1. Program Participation Summary for Regulated States

2023 - 2024 Pilot-to-Date Cumulative Performance (January 1, 2023 - December 31, 2024):

| State | Total Enrollments | Un- enrollments | Attrition Rate | Blocks Unenrolled | Active Plans | Total Monthly Blocks | Average Blocks Per Enrollment | Annualized Blocks | Therms | CCFs* |
|-------|----------------------|--------------------|-------------------|----------------------|-----------------|----------------------------|-------------------------------------|----------------------|------------|-----------|
| AR | 111 | 15 | 14% | 29 | 96 | 154 | 1.60 | 1,056 | | 21,436.80 |
| KS | 113 | 15 | 13% | 22 | 98 | 141 | 1.44 | 1,490 | 30,545.00 | |
| NE | 244 | 32 | 13% | 57 | 212 | 359 | 1.69 | 5,114 | 104,837.00 | |
| WY | 72 | 8 | 11% | 13 | 64 | 129 | 2.02 | 751 | 15,395.50 | |
| Total | 540 | 70 | 13% | 121 | 470 | 783 | 1.67 | 8,411 | 150,777.50 | 21,436.80 |

^{*}Arkansas bills in CCF, whereas other states are billed on therm based volumetric units.

The above report is similar to the last filing; numbers may vary slightly, the report has migrated to automated report versa, a manual report.

The Green Forward cumulative program attrition is below the modeled 14% annual attrition rate. Since launching the program, thirty-two customers have un-enrolled from the program in Nebraska, an attrition rate of approx. 13% percent overall. Attrition will continue to be monitored, and if it exceeds the projected annual rates, Black Hills will deploy an anonymous survey to prior participants who still have utility service for feedback on their decision to leave the program.



2. Comparisons of Nebraska to Other Black Hills Jurisdictions

The Green Forward program and product content label are identical in each of the natural gas jurisdictions in which it operates. The one program structure exception is Arkansas, where Black Hills bills in CCF. The emissions addressed have been converted from therms to that unit of measure (CCF) for customer convenience when considering participation and deciding level of participation.

3. <u>Deferred Account Balance</u>

As described in the Green Forward application, Black Hills allocates costs based on the number of customers located within the different states and based on the number of approved service areas when expenses are incurred. However, direct expenses attributable to a specific state will be charged directly to that state's program. Other common costs will be allocated between the states where the Green Forward program is operational.

| Nebraska Program Balance | |
|--------------------------------|-----------------|
| | |
| Total Nebraska Revenue | \$ 25,424 |
| Total Nebraska Costs | 152,632 |
| Total Nebraska Program Balance | \$ (127,208) |



4. GREEN-e® Compliance Status

After careful consideration and review of both the certification requirements and the program's goals, we have decided not to pursue Green-e certification at this time.

While Green-e brings added value and recognition to REC-based programs, its benefit to voluntary gas programs is more limited. The annual certification costs and additional reporting requirements did not justify the value added to our program.

A few key points that informed this decision:

- Our carbon offset registries already meet compliance standards equivalent to those of Green-e.
- The retirement process for offsets includes robust and transparent information, making external certification less critical.
- These registries are designed to prevent double-counting and maintain high quality credits.

5. Marketing and Communications Plan Status

Black Hills Energy opened enrollment into the Green Forward program in January 2023. Black Hills Energy developed marketing materials and began marketing the Green Forward program in May 2023 through advertising, email, direct mail, and social media channels. The table below is the 2024 Plan and describes the number of customer contacts that were attempted (email / direct mail) and achieved (digital / social) for the purposes of customer education and program marketing.

2024 Marketing and Communications Plan for Non-Regulated and Regulated States:

| Channel | Audience | Purpose | Performance Metrics |
|---------------------------|------------------|--|--|
| Welcome Communications | New enrollees | Confirmation of enrollment and product content | 319 enrollees |
| Digital Advertisements | General public | Awareness | 7,074 Total Impressions ¹ |
| Social Media Posts | Social followers | Awareness, Acquisition | 27,286,979 Total Impressions 27,887 Total Clicks |

¹ Impressions is a metric used to quantify the number of times that content is displayed or viewed.

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| Email | Customers with an address on file that have not opted out of marketing. | Awareness, Acquisition | Average Open Rate - 47.45% (standard benchmark = 46.48%) Average Click-Through Rate²– 0.9% (standard benchmark = 1.2%) |
|--|---|--|---|
| Direct Mail | Customers with an address on file that have not opted out of marketing | Awareness, Acquisition | 156,577 Residential 4,534 Small Business Commercial |
| Individual Product Content Confirmation Direct Mail / Email | Enrollees | Individual confirmation of participation impact | 542 Emails 32 Direct Mail* |
| Program Performance Annual Summary Report Website and Email | Enrollees, General public | Annual Program performance report highlighting projects supported by funds from participants | 685 Emails 33 Direct Mail |

^{*}Emails were sent to all participants who have opted-in to email communications. Participants who have not opted-in to email communications received a direct mail postcard with their individual participation impact (32 were sent).

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 $^{^{2}}$ Clickthrough rate (CTR or "Click-rate") is the number of clicks that an ad receives divided by the number of times the ad is shown.

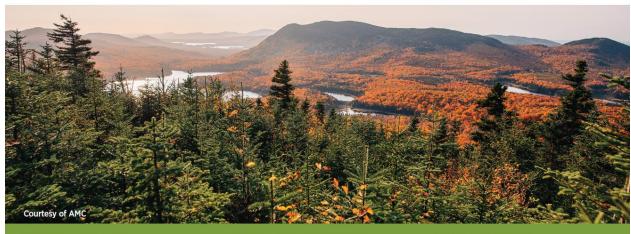


6. Supported Projects Summary

In 2024, participants made a positive impact with 99% carbon offsets and 1% renewable natural gas (RNG) certificates. Green Forward supported the following projects:

2024 GREEN FORWARD PROJECTS

Last year, participants supported three impactful carbon offset and renewable natural gas projects.



Larimer County Landfill Fort Collins, Colorado

This project captures a potent greenhouse gas (GHG) called methane at a landfill and converts it into a gas with a lower environmental impact, resulting in fewer GHG emissions and cleaner air.

AMC Maine Woods Initiative IFM
Piscataquis County, Maine (pictured above)

This project protects 38,000 acres of Maine's wilderness by implementing sustainable forestry practices that enhance carbon sequestration and preserve vital ecosystems.

Bloenergy Devco RNGJessup, Maryland

This project takes waste like organics and packaged food and turns it into renewable natural gas through a process of anaerobic digestion.

The program expects to continue to attract enrollments and address customer carbon footprints as we expand marketing efforts throughout our gas service territory, educating customers and community stakeholders about the ease, cost-effectiveness, and flexibility of voluntary participation in Green Forward.

Green Forward is open to renters, homeowners, and most businesses, and requires no contracts, installation, or equipment. We are committed to offering customers solutions that make a difference for the environment, and we do not make a profit from this voluntary program.



7. Marketing Materials

The current Green Forward marketing materials that Black Hills utilizes for marketing in NE are included in Attachment A to the Report. Samples of the new annual product content confirmations and program performance summary reports are included.

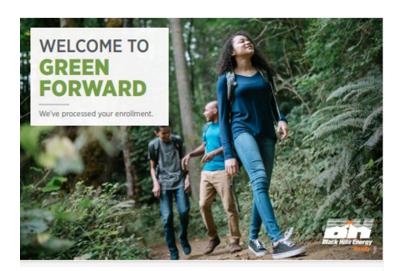
8. Conclusion

The Company, in partnership with 3Degrees, continues to monitor developments in standard frameworks and any other protocols being considered for the voluntary carbon market.



Samples of Green Forward Marketing Materials

Welcome Communications



We've processed your enrollment in Green Forward!



By purchasing [# of blocks] block(s) each month, you are supporting projects that reduce or prevent the release of greenhouse gases such as improved forestry management, grassland and wetland preservation, as well as projects producing renewable natural gas from landfills, farms and wastewater treatment plants.

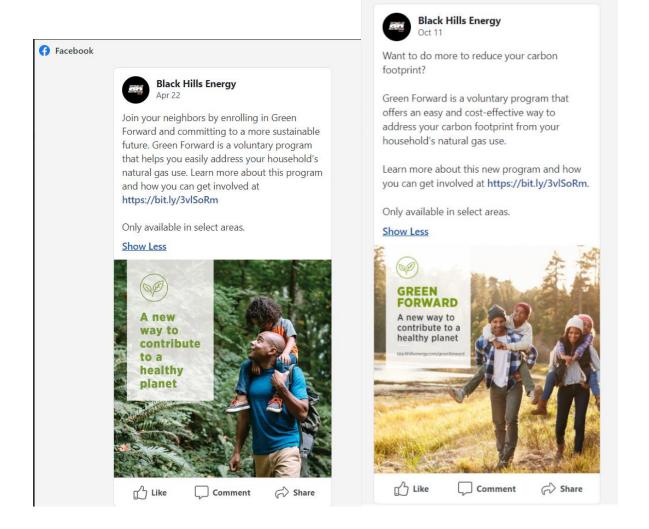
If you have any questions about your enrollment, please contact us at 888-890-5554 or email us at [web form link]. Thank you for partnering with us to help pave the way for a healthy planet.

Terms and conditions are available at blackhillsanergy.com/GeenForward/Term



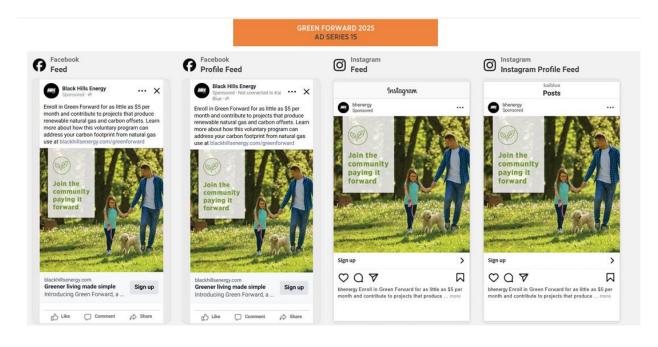


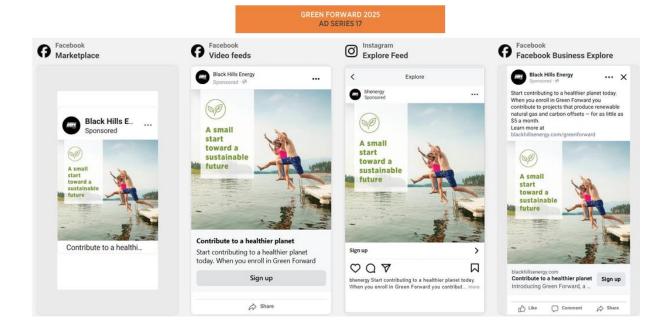
Digital Advertisements/Social Media





Digital Advertisements/Social Media - Continued







Residential Emails



LOG IN



Contribute to a healthy planet

As your energy provider, we are committed to offering you solutions that match your values. Whether you're using natural gas to cook your meals or heat you water, joining Green Forward helps you easily address the carbon footprint from your household's everyday natural gas use. When you sign up for this voluntary program, you'll be helping to pave the way for a healthy planet.

How does Green Forward work?



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Enroll at the level that's right for you, starting at just \$5 per month per "block". Purchase as many blocks as you would like.



Support

Each block addresses approximately 33% of the average household's emissions from natural gas use.



Impact

The money you pay each month is used to purchase carbon offsets from projects that reduce or prevent the release of greenhouse gases such as forestry management, grassland and wetland preservation, as well as renewable natural gas certificates from projects such as landfills, farms and wastewater treatment plants.

There are no contracts or installations, and you may cancel your participation at any time. Join your neighbors in making a positive, sustainable impact on the planet. ENROLL TODAY

Top Questions

What are carbon offsets and RNG certificates?

A carbon offset is a reduction or avoidance in carbon dioxide emissions or other greenhouse gases made in one place to compensate for emissions made elsewhere. Renewable natural gas certificates support the production of a sustainable gas. By joining Green Forward, you can address your home's emissions using carbon offsets and RNG certificates. Please note that you will not receive a physical certificate.

What is a "block"?

A "block" represents a fixed amount of carbon offsets and RNG certificates purchased through Green Forward. Each block costs \$5 and addresses 20.5 therms of natural gas (about 33% of the average household's emissions from natural gas use). The more blocks purchased, the more emissions the Green Forward community can address.

Where does my money go?

Green Forward is a self-funded program, which means Black Hills Energy does not make a profit from this program. The monthly cost goes toward the purchase of carbon offsets and RNG certificates from projects that reduce or prevent the release of greenhouse gases as well as program administration.

> This email was sent by: Black Hills Energy P.O. Box 6006, Rapid City, SD, 57709 US

> > Unsubscrib



Residential Emails - Continued







Commercial and Small Business Emails







Contribute to a healthy planet

Join the community of business leaders demonstrating their commitment to the environment for their customers, employees, and future generations. As your energy partner, we're committed to providing you with meaningful options for your business to help create a more sustainable future.

That's why we're introducing Green Forward, a voluntary program that offers an easy, cost-effective and flexible way to address the carbon footprint from your business' natural gas use.

Green Forward benefits



Impac

We'll send you an annual impact report detailing your positive impact.



Support

The money you pay each month is used to purchase carbon offsets from projects that reduce or prevent the release of greenhouse gases.



Join

Options start at just \$5 more per month, or you can show your environmental leadership by addressing 100% of your emissions from natural gas use.

There are no contracts or equipment installations, and you may cancel your participation at any time. Join us in helping to create a more sustainable future, together.





Commercial and Small Business Emails - Continued





Make a lasting impact in your community

unity of business leaders demonstrating their commitment to a more sustainable future for their customers and employees with Green Forward.

This voluntary program offers an easy, cost-effective and flexible way to address the carbon footprint from your business' natural gas use.



Join

Choose the enrollment level that is right for your business. Options start at just \$5 per month, or you can show your environmental leadership by addressing 100% of your emissions from natural gas use.



Support

With your participation, each month you address a percentage of the carbon footprint from your natural gas use. For about \$30 per month, the average business can balance approximately 100% of their emissions from natural gas use.



Impact

The money you pay each month is used to purchase carbon offsets from projects that reduce or prevent the release of greenhouse gases such as forestry management, grassland and wetland preservation, as well as renewable natural gas certificates from projects such as landfills, farms and wastewater treatment plants.

You may cancel your participation at any time, there are no contracts or installations required. Join your fellow community leaders in making a positive, sustainable impact on the planet.

Top Questions

What are carbon offsets and RNG certificates?

A carbon offset is a reduction or avoidance in carbon dioxide emissions or other greenhouse gases made in one place to compensate for emissions made elsewhere. Renewable natural gas certificates support the production of a sustainable gas. By joining Green Forward, you can address your business's emissions using carbon offsets and RNG certificates. Please note that you will not receive a physical certificate.

A "block" represents a fixed amount of carbon offsets and RNG certificates purchased through Green Forward. Each block costs \$5 and addresses 20.5 therms of natural gas (about 17% of the average small business's emissions from natural gas use). The more blocks purchased, the more emissions the Green Forward community can

Where does my money go? Green Forward is a self-funded program, which means Black Hills Energy does not make a profit from this program. The monthly cost goes toward the purchase of carbon offsets and RNG certificates from projects that reduce or prevent the release of greenhouse gases as well as program administration.



GREEN FORWARD Annual Participation Report





Post Card Copy





Black Hills Energy P.O. Box 6006 Rapid City, SD 57709

Thanks for being part of Green Forward in 2024!

You reduced your environmental footprint by addressing therms therms of natural gas through the program. Because of you, the Green Forward community made an even bigger impact.



More than 500 participants addressed the carbon emissions from 157,583 therms.



That's the amount of natural gas you'd need to power XXX homes for a month!*

*Based on the average residential natural gas usage of XX therms per month.

In 2025, you'll continue to support a mix of 99% carbon offsets and 1% renewable natural gas certificates through Green Forward.

Thank you for contributing to a healthy planet.

Go paperless at blackhillsenergy.com/paperless

Customer name
Mailing Address Line 1
City, State Zip

CERTIFICATE OF SERVICE

NG-117

I, the undersigned, certify that a true and correct copy of the foregoing document was served via electronic service this 31st day of July, 2025

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