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June 30, 2023

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
Commission Application No. NG-117*

Dear Ret. Col. Golden:

Pursuant to the Order Approving the Application issued on August 12, 2022 Docket 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”), Semi-annual Report (“Report”). This first Green Forward program Report is due on June 30, 2023, and includes required program data through June 1, 2023.

The Order Approving the Application in Docket No. NG-117 provides that the Company will:

“... file a formal report summarizing the progress of the VRNG Program on a semi-annual basis. We agree that a semiannual report is preferable. Additionally, as discussed with the PA, the Commission finds that Black Hills shall file with its first report its allocation methodology for any shared costs, employees, services, and/or resources utilized by the VRNG program. We also direct Black Hills to report on the status of renewables in its system as recommended by the PA. Black Hills has committed to work with the PA and Commission Staff to determine both the content, format, and filing deadlines of the semi-annual reports to the Commission. The Commission directs the Company, PA, and Commission staff to collaborate to finalize the details of the report. The Commission finds that the first report shall be filed with the Commission no later than June 30, 2023.”

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 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 plans. The first Semi-annual Report provides the following program details:

- 1) program participation and blocks sold to customers,
- 2) comparisons of program in Nebraska with other similar Black Hills jurisdictional programs by block prices, ratio of RNG to Carbon Offset Credits, customer participation and budget,
- 3) deferred account balance and allocation methodology,
- 4) marketing plan status, and
- 5) marketing materials.

The Company will include the following details about Green Forward, in addition to the details above, in the next Semi-annual Report in January 2024. These details will be available following processes that are either in progress or have not yet begun in the early stages of the program launch:

- 1) ratio of customer contacts received through various channels,
- 2) measurement of increased or decreased block purchases each month,
- 3) number of customers leaving the Program,
- 4) Green-e® Climate certification status,
- 5) data regarding the development of RNG production in Nebraska, and
- 6) provide customers who un-enroll from the Program an input method for feedback on reasons for un-enrolling and then compile and provide responses in a report.

The following details will be available in the Semi-annual report in June 2024, following annual attribute procurement processes due to kick off in Q1 2024 for full year 2023:

- 1) the amount of CO2 or other measurable environmental impacts because of program performance,
- 2) measurements of Carbon Offset Credits funds being used in Nebraska, Midwest and elsewhere from among all states in Black Hills' jurisdiction,
- 3) updates and explanations on the third-party vendor's efforts to procure up to 20% of total offsets supplied from land use products and on sourcing offsets and RNG within Nebraska and other Black Hills' jurisdictions, and
- 4) the amount of RNG ratio for blocks compared with other Black Hills jurisdictions.

Respectfully submitted,

/s/ Douglas J. Law

Douglas J. Law, Bar #19436
Associate General Counsel

DL:ce

Ret. Col. Thomas Golden
June 30, 2023
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cc: psc.naturalgas@nebraska.gov

Margaret McGill
Kevin Jarosz
Crystal Austin

June 2023 Semi-annual Green Forward Program – Summary Report

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

Green Forward program Report data reported below is from January 1, 2023 through June 1, 2023.

1. Program Participation and Blocks Sold to Customers

Green Forward Participation Summary	
Total BHE Plan Count	32
Total Nebraska Plan Count	26
Total Nebraska Purchased Blocks	51
Total Therms Addressed	1045.5
Program Expense Summary	
Total Program Revenue	\$150
Total Program Costs	\$(54,405)
Total Program Account Balance	\$(54,255)
Total NE Revenue	\$130
Total NE Cost Allocation	\$(26,476)
Total NE Program Balance	\$(26,506)

2. Comparisons of Nebraska to Other Black Hills Jurisdictions

The status of approval for the Green Forward program in other BHE natural gas states is as follows:

Arkansas – application pending before the Arkansas Public Service Commission.

Colorado – application withdrawn and program to be developed under a non-regulated model.

Iowa – application pending before the Iowa Utilities Board.

Kansas – application approved by the Kansas Corporation Commission.

Wyoming – application pending before the Wyoming Public Service Commission.

Black Hills has filed applications similar, if not identical, in each of its natural gas jurisdictions in which it operates as listed above. The block prices, ratio of RNG to Carbon Offset Credits, and general terms of service for the Green Forward program are the same in all areas currently enrolling customers (Colorado, Kansas and Nebraska).

3. Deferred Accounting Balance and Cost Allocation Methodologies

Regarding cost allocation, as described in the Green Forward application, Black Hills will allocate costs based on the number of customers located within the different states and based on the number of approved jurisdictions when expenses are incurred. As other jurisdictions approve regulated programs, allocations will be updated accordingly, potentially lowering the amount allocated to Nebraska. However, direct expenses attributable to a specific state will be charged directly to that state's program. Other common costs will be allocated between those states that approve the Green Forward program.

Costs and revenues for the Green Forward program in Colorado (non-regulated model) will be invoiced separately and accounted for separately from regulated programs with approved deferred accounting treatment.

4. Compliance Status

As most of the Green Forward program applications are currently pending before the respective regulatory agencies, there is nothing substantive to report for this first Green Forward Report. The KCC's order approving the Kansas Green Forward program established an annual reporting period with the form of the report to be worked out between Black Hills Energy – Kansas, the KCC Staff and the Consumers Utility Ratepayers Board.

As noted in this first Green Forward program Report, Black Hills Energy is still developing the items to be included in required Green Forward program reports. It has provided available information relevant to the report in Nebraska and identified the additional data to be included in future Reports once that data is more fully developed and available for accurate reporting purposes.

5. Marketing Plan and 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.

6. Marketing Materials

The following attachments are the marketing materials that Black Hills has shared with the Commission in an e-mail message on May 9, 2023. The Company will continue to provide attachments in each semi-annual report to the Nebraska Public Service Commission, highlighting any changes and explanations, as applicable.

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. The Company will provide an update in its next semi-annual report to the Nebraska Public Service Commission on advancement and certification of Green Forward through the Green-e® Climate program, a global third-party certification program for carbon offset credits.

Green Forward Marketing

Welcome Postcard



We've processed your enrollment in **Green Forward!**



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

You're now easily addressing the carbon footprint from your natural gas use through a mix of carbon offsets and renewable natural gas certificates.

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 blackhillsenergy.com/GreenForward/Terms.

Digital Ads

Green Forward Digital Media Proofs

Facebook/Instagram Ads

Start date: 5/22/23



Email

Residential



A new way to contribute to a healthy planet

Whether you're using natural gas to cook your meals or heat your water, Green Forward helps you easily address the carbon footprint from your household's everyday natural gas use.

We're committed to help create a more sustainable future, together. That's why we're introducing **Green Forward**, a voluntary program that offers an easy, flexible and affordable way to contribute to a healthy environment for us all.

How does Green Forward work?

Join



Enroll at the level that's right for you, starting at \$5 more per month per "block."

Support



Each block addresses approximately 33% of the average household's emissions from natural gas use. You can purchase as many blocks as you like.

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 the community contributing to a more sustainable future for generations to come.

[LEARN MORE](#)



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LOG IN



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



Impact

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.

LEARN MORE



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Direct Mail



Join the community contributing to a more sustainable future with **Green Forward**.

First Name Last Name
Mailing Address
City, State Zip

Dear **First Name**,

Did you know there is an easy, cost-effective and flexible way to address the carbon footprint from your natural gas use? Introducing Green Forward, a new way to contribute to a healthy planet for as little as **\$5 more per month**.

How does Green Forward work?

- 1 Enroll at the level that's right for you, starting at \$5 more per month per "block." The cost is seamlessly integrated into your monthly bill.
- 2 Each block addresses approximately one third of the average household's emissions from natural gas use, and you can purchase as many blocks as you like.
- 3 Participating supports nature-based projects that could include forestry management, improving grasslands and wetlands as well as developing sustainable resources like renewable natural gas.

Plus, there is no installation, contract or long-term commitment, and you can change your enrollment level or cancel anytime.

Ready to join Green Forward?

Simply fill out the form below and we'll take care of the rest. You can also enroll at blackhillsenergy.com/greenforward or by calling 888-890-5554.

Join the community committed to making a positive difference for the environment and future generations.

Gratefully,

Crystal Austin
Utility Programs and Services
Black Hills Energy

Yes! I'd like to enroll in Green Forward and contribute to a sustainable future.

Choose the number of blocks you want to support (please mark only one option). Each block addresses approximately 33% of the average household's emissions from natural gas use.

- 1 block for \$5 more per month
 2 blocks for \$10 more per month
 3 blocks for \$15 more per month
____ blocks for \$5 more each per month

First Name Last Name
Premise Address
City, State Zip Code

By checking this box, you agree to enroll in Green Forward. _____
Signature (required)





Want to know more about Green Forward?

What are the benefits of joining Green Forward?

When you participate in Green Forward, you're contributing to a healthy planet for future generations. Starting at just \$5 more per month, your participation will go toward addressing your carbon footprint from your natural gas use through a mix of carbon offsets and renewable natural gas certificates.

Where does my money go?

The monthly participation cost 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. Each block is expected to be comprised of 99% carbon offsets and 1% renewable natural gas certificates. Black Hills Energy does not make a profit from Green Forward.

Do I need to install, maintain or change any equipment?

With Green Forward, there is no need to install or maintain any equipment, ensuring the program is convenient for renters, homeowners and most businesses. This also makes it easy to continue using your safe, reliable and cost-effective natural gas appliances.

In 2023, Green Forward participants are expected to support the following:



99% Carbon Offsets

From projects such as forestry management as well as grassland and wetland preservation



1% RNG Certificates

From projects such as landfills, farms and wastewater treatment plants

Printed on recycled paper with 30% post-consumer waste. All carbon emissions associated with this mailing will be offset.