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February 20, 2024

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 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”), Semi-annual Report (“Report”). The first Green Forward program Report was provided on June 30, 2023. Black Hills Energy will provide the second bi-annual report by January 31 each year of the pilot program. This report includes program performance updates for January 1, 2023, through December 31, 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 attached 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. number of customers leaving the Program (not included in the June 2023 report),
5. marketing plan status, and
6. marketing materials.

These details, originally planned to include in this Report, will be available in the next few months following further process development that is in progress for this pilot program:

1. ratio of customer contacts received through various channels,
2. difference between June and January Reports, and
3. 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 Company has learned that additional aspects of program performance reporting must align with the annual procurement and retirement of environmental attributes, due to happen in Q1 2024 for the full year 2023. The following details about Green Forward, in addition to the details above, will be included by 2024 Mid-Year Report:

1. measurement of increased or decreased block purchases each month,
2. Green-e® Climate certification status, and
3. data regarding the development of RNG production in Nebraska,
4. the amount of CO2 or other measurable environmental impacts because of program performance,
5. measurements of Carbon Offset Credits funds being used in Nebraska, Midwest and elsewhere from among all states involving Black Hills' service area,
6. 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' service areas, and
7. the amount of RNG ratio for blocks compared with other Black Hills service areas.

Respectfully submitted,

/s/ Douglas J. Law

Douglas J. Law, Bar #19436
Associate General Counsel

DL:ce

cc: psc.naturalgas@nebraska.gov

Brooke Bassell-Herman
Margaret McGill
Kevin Jarosz
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Semi-Annual Green Forward Program – Report – Through December 31, 2023

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 December 31, 2023.

1. Program Participation and Blocks Sold to Customers

Green Forward Participation Summary	
Total Black Hills Energy Plan Count	234
Total Nebraska Plan Count	160
Total Nebraska Block Subscriptions	293
Total Nebraska Blocks Annualized	1,656
Total Therms Addressed	33,948
Program Expense Summary	
Total Program Revenue	\$9,495.00
Total Program Costs	(\$174,920.60)
Total Program Account Balance	(165,425.60)
Total NE Revenue	\$7,565.00
Total NE Costs	(\$127,814.65)
Total NE Program Balance	(\$120,249.65)

2. Comparisons of Nebraska to Other Black Hills Jurisdictions

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

Arkansas – application approved before the Arkansas Public Service Commission.

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

Iowa – application denied as a regulated program before the Iowa Utilities Board, BHE planning to offer under a non-regulated model.

Kansas – application approved by the Kansas Corporation Commission.

Wyoming – application approved by 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 (Arkansas, Colorado, Kansas, and Nebraska).

Since the last Report filing, Arkansas' Green Forward program officially launched. Program administration costs incurred between Arkansas' launch on November 1, 2023 and December 31, 2023, will be allocated to Arkansas, Kansas, and Nebraska. All costs between January 1, 2023 and October 31, 2023, will be allocated to Kansas and Nebraska. Arkansas' program marketing expenses will not be incurred until 2024.

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 service areas when expenses are incurred. As other state commissions 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 and Iowa (non-regulated model) will be invoiced separately and accounted for separately from regulated programs with approved deferred accounting treatment.

4. Compliance Status

The Company states that more complete Program reporting will be provided by July 31, 2024, and annually thereafter. The first procurement and retirement of attributes and carbon offset credits will take place late in the first quarter of 2024 for the full calendar year of participation from January through December of 2023. This schedule will apply to all the various Program Annual Reports of the Company for the pilot's duration.

As noted earlier in the Report, Black Hills is still developing a couple of the items to be included in Green Forward Program reports and working closely with 3Degrees to procure environmental attributes for 2023 participants. The Company provided available information relevant to the Report in Nebraska. The Company has also identified the additional data to be included in future Reports once the environmental attributes are retired and associated data is validated. During the pilot period of the Program, given that procurement and retirement will take place in the first quarter of each of the pilot years, Black Hills will schedule July 31, 2024, for the next official Annual Report to the Nebraska PSC and Public Advocate for the Green Forward Program. This will allow adequate time between retirement of attributes and Program-required reporting for validation and customer product content confirmations.

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.

2024 Marketing and Communications Plan:

Channel	Audience	Purpose	Timeframe
Digital Advertisements	General public	Awareness	May through September
Social Media Posts	Social followers	Awareness, Acquisition	April and October
Email	Customers with an address on file that have not opted out of marketing	Awareness, Acquisition	February, April, June, and September
Direct Mail	Customers with an address on file that have not opted out of marketing	Awareness, Acquisition	Dates TBD for two mailings
Community Affairs Handouts	Commercial and Small Business	Awareness, Acquisition	N/A
Welcome Communications	New enrollees	Confirmation of enrollment and product content	Upon Enrollment
Direct Mail / Email	Enrollees	Individual annual product content confirmations*	March
Website and Email	Enrollees, general public	Program performance annual summary report*	June

**Material development in progress at the time of this report, therefore samples not included in attachments.*

6. Marketing Materials

The following attachments are the Green Forward marketing materials that Black Hills used during 2023 and will continue to use in 2024. Samples of the new annual product content confirmations and program performance summary reports will be included as attachments in the June 2024 report. These materials are in development and cannot be finalized until participant attributes are procured and retired, scheduled for late Q1 2024.

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



WELCOME TO
**GREEN
FORWARD**

We've processed your enrollment.

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

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.



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

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.





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P.O. Box 1400, Rapid City, SD, 57709 US

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Improving life with energy
www.blackhillscorp.com

NPSC Received 02/20/2024

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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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Twitter



LinkedIn



Instagram



Blog

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P.O. Box 1400, Rapid City, SD, 57709 US

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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.