

# Voluntary Renewable Natural Gas (VRNG)

NPSC Program Filing Preview

April 26, 2022



# VRNG Program Goals & Priorities



**Demonstrate commitment** to sustainability & support broader BHE sustainability goals



**Improve customer satisfaction** and mitigate attrition



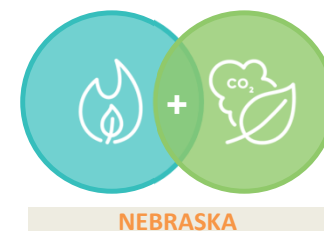
**Demonstrate industry leadership** to legislators, regulators and other stakeholders



**Secure approval** for voluntary program in Nebraska that can be scaled to all natural gas states

# Blended Program Design: Nebraska

## RNG & Carbon Offsets



*Offset all or part of your natural gas carbon footprint with RNG and Carbon Offsets, starting at \$5/month\**

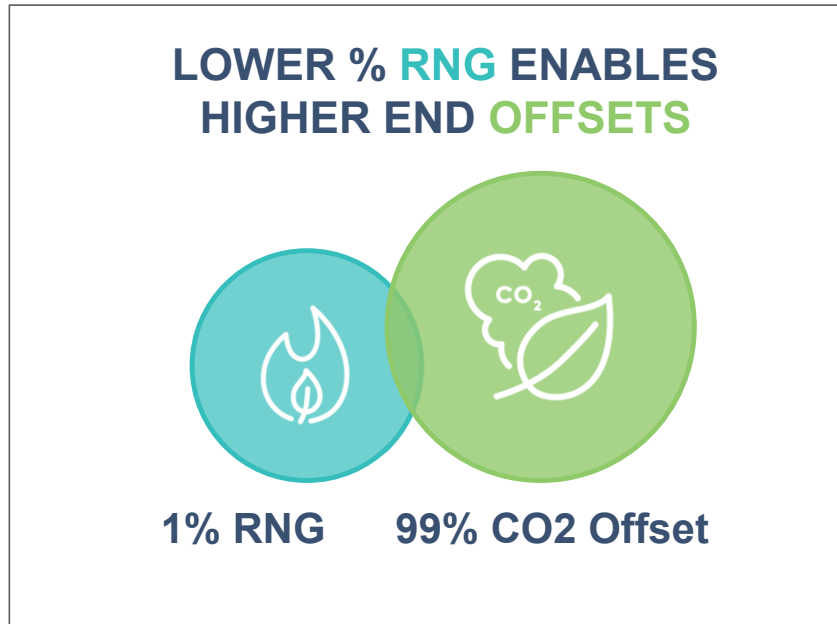
| BLOCKS / MONTH | PRICE / MONTH | CARBON FOOTPRINT IMPACT / MONTH               |
|----------------|---------------|---|
| 1 Block        | \$5           | 20 Therms (33% of Average Natural Gas Usage)  |
| 2 Blocks       | \$10          | 40 Therms (67% of Average Natural Gas Usage)  |
| 3 Blocks       | \$15          | 60 Therms (100% of Average Natural Gas Usage) |

- + Customers can purchase 1 block for \$5/month\*
- + No limit to blocks purchased
- + Fixed blocks provide choice, predictability
- + \$15/month will offset 100% of average monthly residential usage and meets best practices in voluntary green programs. Customers can purchase an unlimited number of blocks.

*Block price assumes average monthly Nebraska residential natural gas usage of 60 therms (based on the 2018 - 2020 data).*

*\*\$5/month block price is actively being negotiated with supply partner and is subject to change.*

# Blended Program: RNG & Carbon Offsets



- + **Supply Mix Flexibility:** The supply mix can evolve over the course of the program
- + **Regulatory Consideration:** Enshrine supply flexibility in the program filing to enable adjusting and enhancing the supply mix
- + **Close to Home:** Local sources of supply - particularly offsets - is important to BHE program strategy
- + **BHE Involvement:** BHE could support local offset project development in the future

# BHE Program: NPSC Approval Requests

## Pilot & Tariff

Four-year pilot program:

- Tariff to include VRNG rates for residential and small commercial participants
- Gather data to inform long term program strategy
- Refile after year three

# Determining willingness to pay is a key design input



\$6.50 per month on average across all states



Willingness to pay could increase over time as awareness grows



We've modeled conservatively

## Timing and Next Steps

- Filing in 2022
- Program implementation on or after January 1, 2023
- Achieves objectives to provide customers energy choices and solutions

