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
- **Demonstrate industry leadership** to legislators, regulators and other stakeholders
- **Improve customer satisfaction** and mitigate attrition
- **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*

<table>
<thead>
<tr>
<th>BLOCKS / MONTH</th>
<th>PRICE / MONTH</th>
<th>CARBON FOOTPRINT IMPACT / MONTH</th>
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</thead>
<tbody>
<tr>
<td>1 Block</td>
<td>$5</td>
<td>20 Therms (33% of Average Natural Gas Usage)</td>
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<tr>
<td>2 Blocks</td>
<td>$10</td>
<td>40 Therms (67% of Average Natural Gas Usage)</td>
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<tr>
<td>3 Blocks</td>
<td>$15</td>
<td>60 Therms (100% of Average Natural Gas Usage)</td>
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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.

+ 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.
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
BE THE ENERGY PARTNER OF CHOICE
IMPROVING LIFE WITH ENERGY

VALUES
- Safety
- Agility
- Communication
- Partnership
- Leadership
- Customer Service
- Integrity

KEY GOALS
- PROFITABLE GROWTH
- GREAT WORKPLACE
- VALUED SERVICE
- BETTER EVERY DAY