

**John Boughner**

Managing Director, Black Hills Energy Renewable Resources  
John.Boughner@BlackHillsCorp.com

7001 Mount Rushmore Rd  
Rapid City, SD 57702  
P: 303-566-3478

**July 26, 2023**

**TO: Renewable Natural Gas Producer**

**RE: Iowa RNG Offload Injection Hub IOI Request**

Black Hills Energy Renewable Resources, LLC (“BHERR”), a wholly owned non-regulated subsidiary of Black Hills Energy, hereby announces that it seeks non-binding Indications of Interest (“IOI”)<sup>1</sup> for Renewable Natural Gas (“RNG”) Injection Capacity (“Injection Services”) via an RNG Offload Injection Hub (“Hub Facilities”) to be located near Sioux Center, Iowa, for final injection into a Northern Natural Gas Company (“NNG”) FERC-regulated interstate gas transmission pipeline. All Hub Facilities will be owned and operated by BHERR.

Maximum RNG Injection Capacity as currently anticipated will be 5,000 Dth of RNG per day<sup>2</sup>, subject to indicated interest, and must be delivered to the Hub Facilities via trucked high-pressure CNG trailers suitable for transmission and decantation of RNG into such Facilities from interested parties’ RNG production sites.

BHERR anticipates an in-service date for the Hub Facilities sometime in the second half of 2024, subject to IOI responses. Biomethane specification requirements can be found on NNG’s website at [Biomethane Gas Guidelines.pdf \(northernnaturalgas.com\)](https://www.northernnaturalgas.com/Biomethane_Gas_Guidelines.pdf).

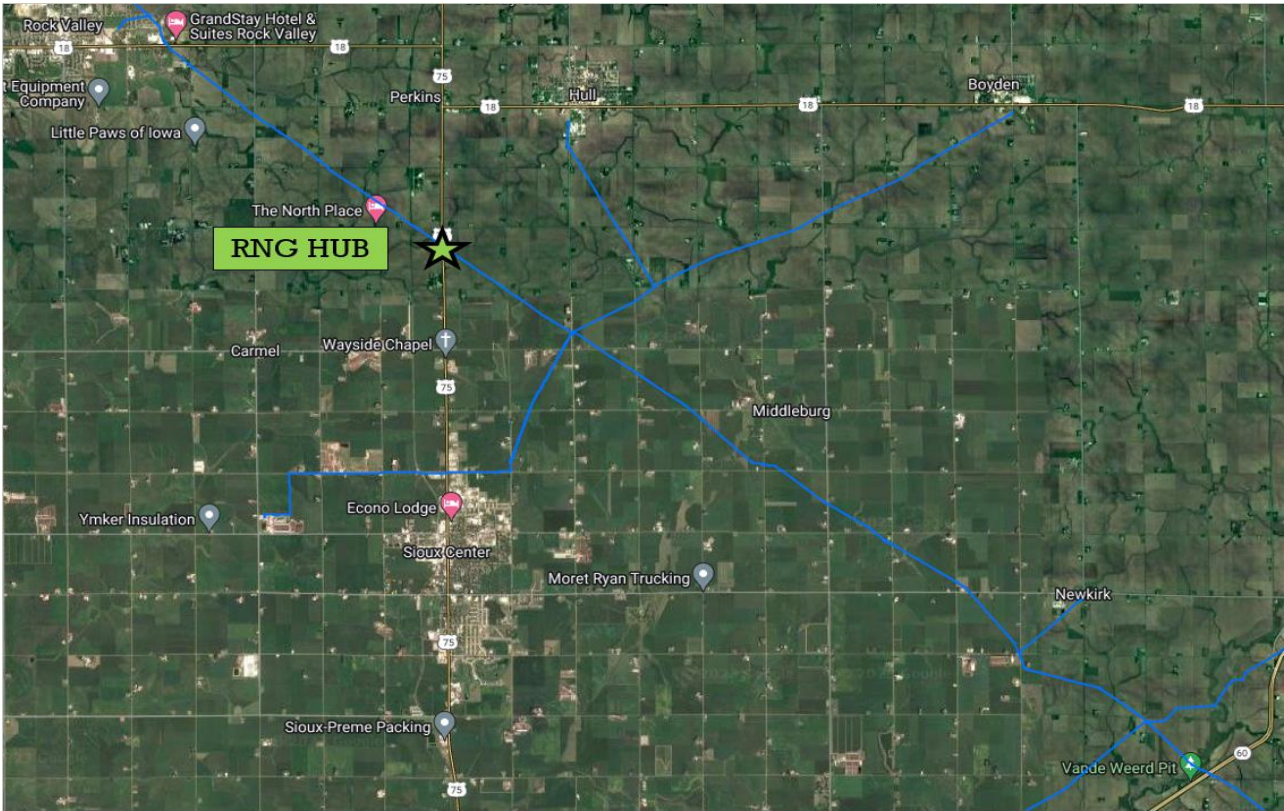
Note: This project as planned does not include the costs or contracting for trucking of RNG from RNG production sites to the prospective Hub Facilities.

---

<sup>1</sup> Interested parties must execute a Non-Disclosure Agreement (“NDA”) with BHERR prior to submittal of their IOI if they do not already have an NDA in place.

<sup>2</sup> BHERR reserves the right to increase or decrease Hub Facilities’ design capacity based on level of interest associated with received IOI’s.

Potential Hub Facilities Location (near Sioux Center, IA)



Example of Indicative Fees

- Maximum Daily RNG Injection Capacity: 5,000 MMBtu
- Term: 10 years
- Number of Injection Lanes 4
- Indicative Fee Structure (only one applies):
  - Fixed Fee per month \$373,327
  - Equivalent Fee per Unit \$2.45 per MMBtu
  - Example:

Customer	Capacity	Usage	Fixed Fee	Equivalent Fee per Unit
Customer A	1500	30%	\$111,998	\$2.45 per MMBtu
Customer B	2500	50%	\$186,663	\$2.45 per MMBtu
Customer C	1000	20%	\$74,665	\$2.45 per MMBtu

- Fees include all capital and operating costs for BHERR to interconnect into the NNG transmission pipeline system.
- Fees are inclusive of Operation and Maintenance of the Hub Facilities

To be considered compliant, IOI's must contain the following information:

1. Legal Company Name and address
2. Requested Daily Injection Quantity ("DIQ")
3. Requested Term – BHERR requires a minimum 10-year term for this facility but will entertain longer terms if desired.
4. RNG Feedstock (hazardous feedstock facilities will not be able to utilize this facility)
5. Status of bidder's RNG project financing
6. Portion of Maximum Daily RNG Injection Capacity bidder desires (bidder may indicate an interest of up to 100% of the design capacity as stated above)

IOI's must be received no later than 10:00 a.m. Mountain Standard Time ("MST") on Wednesday, August 23, 2023.

**Please address questions to John Boughner at [John.Boughner@BlackHillsCorp.com](mailto:John.Boughner@BlackHillsCorp.com) and Paul Cammack at [Paul.Cammack@BlackHillsCorp.com](mailto:Paul.Cammack@BlackHillsCorp.com). All questions must be submitted no later than Wednesday, August 9, 2023.**

**Bids must be sent via e-mail to the attention of Paul Cammack at [Paul.Cammack@BlackHillsCorp.com](mailto:Paul.Cammack@BlackHillsCorp.com) to be considered.**