



60-Day Notice

Whole Home Electrification Pilot

**Black Hills/Colorado Electric Utility
Company, LP, d/b/a Black Hills Energy**

2025-2028 Demand Side Management Plan

March 31, 2026



Summary of 60 Day Notice: Whole Home Electrification Pilot

Black Hills Colorado Electric, LLC, d/b/a Black Hills Energy (the “Company” or “Black Hills”) submits this 60-Day Notice (“Notice”) to summarize the scope of work and budget for the Whole Home Electrification Pilot (“Pilot”). This Notice is issued in compliance with Decision No. R24-0787 in Proceeding No. 24A-0157E and consistent with the provisions of the Commission-approved Unopposed Comprehensive Settlement Agreement in Proceeding No. 22A-0304E.

A copy of this Notice will be available on the Company’s website at: [Regulatory Filings and Cost Adjustments | Black Hills Energy](#).

Program Description

The concept of the Whole Home Electrification Pilot was approved in the Unopposed Comprehensive Settlement Agreement (“Settlement Agreement”) in Proceeding No. 22A-0304E.¹ As provided in this Settlement Agreement, the Company and the Colorado Energy Office (“CEO”) will work together to help educate customers on utility, State, and Federal incentives that can help customers reduce their overall energy costs. Subsequently, funding for administration and marketing costs was approved in the Company’s latest Demand Side Management and Beneficial Electrification (“DSM & BE”) Plan in Proceeding No. 24A-0157E. The DSM & BE Plan includes \$40,000 in annual funding in 2025 and 2026 for Pilot administration and marketing costs.² Black

¹ See Decision No. R23-0294, Appendix A: Unopposed Comprehensive Settlement Agreement, issued on May 8, 2023, in Proceeding No. 22A-0304E, ¶¶8-17.

² See Hrg. Ex. 107, Unanimous Comprehensive Settlement Agreement, filed on September 20, 2024, in Proceeding No. 24A-0157E, ¶¶.

Hills budgeted for this Pilot in 2025 and 2026, which aligned with the timeframe when CEO’s federal home energy rebates were expected to be available. However, based on the current status of federal home energy rebates, Black Hills anticipates spending the Pilot administration and marketing budget in 2026 and 2027. The Unopposed Comprehensive Settlement Agreement in Proceeding No. 22A-0304E required Black Hills to submit specific program design through a 60-Day Notice and launch the Pilot within six months of when federal rebates become available. CEO launched the federal Home Electrification and Appliance Rebates (“HEAR”) on November 13, 2025. Therefore, the Company anticipates launching the Pilot by May 2026. Depending on any feedback received in response to this Notice, Black Hills and CEO anticipate the Pilot could launch as early as April 2026.

A. Pilot Description, Goals, Roles, and Key Outcomes

a. Description

The Pilot will help educate customers on utility, State, and federal incentives that can help customers reduce their overall energy costs. The Pilot will serve Income-Qualified and market rate dual fuel residential customers of Black Hills Energy.

b. Goals

The Pilot will assist the Company in:

- Educating customers on utility, State, and federal incentives that can help customers reduce their overall costs;

- Exploring barriers, opportunities, equipment and installation costs for full-home electrification retrofits in Black Hills’ service territory through feedback from customer and contractor surveys; and
- To the extent practicable, quantifying the cost of electrifying a home in Black Hills’ service territory, including grid impacts and customer bill impacts.

c. Roles

Black Hills will provide program administration and facilitate access to utility incentives. CEO will support Black Hills in Pilot planning and facilitating access to State and federal incentives.

d. Key Outcomes

The Pilot intends to contribute to increased awareness by customers, contractors, and the Company of electrification offerings and how to effectively implement these offerings.

B. Estimated Costs, Benefits, Value to Customers

a. Costs

The intent of the Pilot is to leverage as many incentives as available for a particular customer for multiple measures to minimize participant costs. For Income Qualified customers, the full cost of measures would be covered using existing utility, State, and federal rebates. Moderate Income or market rate residential customers interested in the Pilot would assume any remaining costs for equipment and installation following the application of all relevant incentives. The proposed Pilot budget is provided at the end of this Notice.

b. Benefits and Value to Customers

This Pilot intends to deliver the following benefits:

- Deliver whole home electrification services to Black Hills dual fuel residential customers while seeking to reduce overall costs;
- Reduce technical and financial barriers to electrification in Black Hills’ service territory; and
- Improve education and awareness about electrification opportunities.

C. Eligible Measures and Programs through the Company’s DSM & BE Plan

Eligible measures for the Pilot include:

- building shell, air sealing, and insulation;
- air source heat pumps and ground source heat pumps;
- heat pump water heaters;
- electric heat pump clothes dryers;
- induction stoves and electric ranges; and
- electric service upgrades.

Electric DSM & BE Plan programs that will be used to fund the Pilot include: Single Family Weatherization - Low Income; Moderate Income Prescriptive; Multi-Family Weatherization; Residential Electrification Program (Income-Qualified and market rate); and Residential Prescriptive.

D. Complementary Measures and Funding Sources

In addition to the measures above, the Company will help Pilot participants access distributed generation through existing utility programs.

Complementary funding sources for the Pilot include:

- Utility customer program funding:

- Black Hills Gas Energy Efficiency & DSM incentives: Income-Qualified Weatherization Program; Moderate Income Weatherization; Residential Prescriptive Rebates;
- Distributed generation incentives: Solar and Storage (residential and Income-Qualified) programs; Community Solar Garden program;
- State funds:
 - CEO WAP;
 - Colorado Heat Pump Tax Credit;
- Federal funds
 - Inflation Reduction Act (“IRA”) rebates: Home Electrification and Appliance Rebates (“HEAR”) program
 - Inflation Reduction Act (“IRA”) rebates: Home Efficiency Rebate (“HER”) programs.

E. Education and Outreach

The Company and CEO will prioritize outreach and enrollment in areas where the gas distribution system is constrained, or where future gas distribution system capacity investment may be avoided. The Company plans to: send postcards to eligible participants with Black Hills’ program details and the [Colorado Energy Savings Navigator](#) tool, and implement additional education and outreach tactics, as needed.

CEO will assist with direct customer recruitment through the Weatherization Assistance Program (“WAP”).

F. Recruitment, Application, and Enrollment

Based on preliminary conversations with Pueblo County, the Company and CEO will aim for 10 to 14 participants for the first year of the Pilot (through June 2026), and 20 participants for the second year of the Pilot (July 2026 through June 2027). Black Hills will recruit eligible participants using the outreach tactics outlined above. Income Qualified participants will access Pilot offerings through CEO WAP, which is prepared to access funding sources (including federal rebates) on behalf of the participants. For Moderate Income (i.e., participants at 81 to 150 percent area median income) and market rate customers, Black Hills and CEO will work together to facilitate access to applicable funding sources.

G. Evaluation, Measurement, and Verification

The Company will collect qualitative and quantitative pre- and post-installation data to evaluate Pilot outcomes through customer surveys, which the Company will provide with the Annual Status Report for Energy-Efficiency Programs. The Company will conduct and report on evaluation, measurement, and verification ("EM&V") of the Pilot in 2027 in accordance with the procedures set in the 2025-2028 DSM & BE Plan as budgets allow.³ This timing will allow the Company to collect sufficient data to evaluate Pilot effectiveness.

H. Effective Date

The Company plans to implement the proposed changes June 1, 2026, However, if the Company does not receive any comments by April 30, 2026, the Company will implement the changes on April 31, 2026.

³ See Compliance Plan, Energy Efficiency (Demand Side Management) Plan and Beneficial Electrification (BE) Plan 2025-2028, filed on December 30, 2024, in Proceeding No. 24A-0157E, at 61.

I. Stakeholder Involvement

The Company has met with CEO approximately monthly to develop Pilot design. The Company will continue to coordinate with CEO on Pilot design and implementation. Other parties are invited to provide feedback on the Pilot through this 60-Day Notice process.

Proposed Whole Home Electrification Annual Budget

Colorado IRA Communications Estimate Budget 2026	
Marketing	
Production	\$10,000
Print/ Mailing	\$5,000
Administration	
Data Requests and Analysis	\$15,000
Outreach	
Other	\$10,000
Total NTE	\$40,000

Colorado IRA Communications Estimate Budget 2027	
Administration/ Marketing	
Other	\$40,000
Total NTE	\$40,000

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