



Black Hills Energy to Add 400 MW of New Renewable Energy Resources to its Southern Colorado Electric System

PUEBLO, Colo., – April 18, 2024 – Black Hills Energy plans to advance its 2030 Ready Clean Energy Plan with 400 megawatts (MW) of new renewable energy resources, including utility-scale solar and battery storage projects to be constructed in Pueblo County, and a wind energy project in northeastern Colorado. This preferred portfolio of resources is identified in the company’s Clean Energy Plan 120-Day report submitted with the Colorado Public Utilities Commission (PUC) for review and approval.

The 120-Day Report proposes resources to cost-effectively achieve an estimated reduction in greenhouse gas emissions of 89% by 2030, adding 200 MW of utility-scale solar, 150 MW of wind energy, and 50 MW of battery storage, supported by the company’s existing, dispatchable generation assets. With approval, these resources are planned to be in service by the end of 2027.

During a competitive solicitation conducted in late 2023, Black Hills Energy received more than 100 bids from developers for the renewable energy resource procurement. With the oversight of a third-party evaluator, the company completed extensive modeling and analysis of each bid to fully assess the value of each project. Considerations were given to reliability, cost-effectiveness of resources, bill impact to customers, environmental benefits, state and local economic impact, and geographic diversity, among others.

“Our most important job is to deliver safe, reliable energy to the Southern Colorado customers and communities who depend on us,” said Campbell Hawkins, Black Hills Energy’s vice president of Colorado operations. “We’re pleased to present a Clean Energy Plan that is grounded in this commitment to our customers and builds upon the work we’ve already done to make our power generation among the cleanest in the state. Our phased-in renewable generation and modern natural gas-fired units serve our customers extremely well and position us to achieve the state’s emissions reduction goals.”

Highlights of Black Hills Energy’s 2030 Ready Preferred Portfolio are as follows:

Black Hills Energy’s Preferred Portfolio

- 200 MW utility scale-solar project to be located in Pueblo County
- 150 MW of wind energy to be procured through a long-term power purchase agreement with a renewable energy developer
- 50 MW battery storage project to be located at the Pueblo Airport Generating Station (PAGS)

- \$53 million in local economic impact
- \$323 million in total economic impact to Colorado
- \$270 million over 10 years in customer cost savings resulting from Inflation Reduction Act (IRA) tax benefits
- 75% renewable energy mix by 2030
- 89% reduction in carbon emissions by 2030

If approved, Black Hills Energy will add the Clean Energy Plan Rider (CEPR) to customer bills beginning Jan. 1, 2025. This surcharge will equate to 1.5% of the total annual bill or about \$1.50 per month for the average residential customer. The surcharge is needed to help pay for the capital investments and related expenses associated with the implementation of a Clean Energy Plan and is allowed by Colorado state statute.

“We’re very aware of the impact of energy costs on our customers, and we are taking steps to minimize the customer bill impact of implementing the Clean Energy Plan,” said Hawkins.

To offset the new monthly Clean Energy Plan Rider, the company proposes to reduce the monthly Renewable Energy Standard Adjustment (RESA) rider, from 2% to 1.5%. As more renewable energy is added to the system, the company will generate less electricity from natural gas-fired generating units. This will lead to fuel cost savings to customers through a lower Energy Cost Adjustment (ECA).

For more information, about Black Hills Energy’s Clean Energy Plan visit <https://www.blackhillsenergy.com/2030-clean-energy-plan>

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About Black Hills Energy

Black Hills Energy is a customer focused, growth-oriented utility company with a tradition of improving life with energy and a vision to be the energy partner of choice. Based in Rapid City, South Dakota, the company serves 1.3 million natural gas and electric utility customers in eight states: Arkansas, Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota, and Wyoming. More information is available at: www.blackhillsenergy.com