

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 26A - _____E

IN THE MATTER OF THE APPLICATION OF BLACK HILLS COLORADO ELECTRIC, LLC FOR (1) APPROVAL OF ITS 2026 ELECTRIC RESOURCE PLAN AND CLEAN ENERGY PLAN, AND (2) APPROVAL OF ITS 2027-2030 RENEWABLE ENERGY STANDARD COMPLIANCE PLAN.

Pursuant to Colorado Public Utilities Commission (“Commission”) Rules 3002(a)(XVI), 3603, 3617, and 3657, Black Hills Colorado Electric, LLC, d/b/a Black Hills Energy (“Black Hills” or the “Company”) hereby applies for a Commission order approving Phase I of the Company’s Ready to Serve Plan, also known as its 2026 Electric Resource Plan and Clean Energy Plan (“2026 ERP and CEP”), in addition to the Company’s 2027-2030 Renewable Energy Standard Compliance Plan (“2027-2030 RES Plan”).

Black Hills is filing this Application with the Direct Testimony of eight witnesses, discussed below, the Company’s Ready to Serve Plan, provided as Hearing Exhibit 101, Attachment MJH-1, and the Company’s 2027-2030 RES Plan, provided as Hearing Exhibit 104, Attachment MKG-1. The Company’s Ready to Serve Plan contains an Executive Summary outlining the key elements of the plan itself. Additionally, the Ready to Serve Plan and related Appendices provide detailed information required by Colorado statute and the Commission’s Electric Resource Planning Rules, plus additional technical information supporting the Company’s Ready to Serve Plan. The Ready to Serve Plan and related Appendices also contain the Request for Proposals (“RFPs”) and model contracts Black Hills’ intends to use for its Phase II competitive solicitation process.

Black Hills' 2027-2030 RES Plan, provided as Hearing Exhibit 104, Attachment MKG-1, also contains an Executive Summary that outlines the key elements of the Company's RES proposals, including compliance with regulatory requirements. The 2027-2030 RES Plan also contains Black Hills' RES Compliance Forecast and eligible energy requirements, and details the Company's projected Renewable Energy Standard Adjustment ("RESA") retail rate impacts and projected costs associated with its proposals in this Proceeding. The 2027-2030 RES Plan also describes updates and modifications to the Company's proposed retail distributed generation ("DG") program offerings, capacity levels, and incentives, including for its on-site solar program (including proposals for solar paired with storage), community solar garden ("CSG") program, and new off-site solar program.

Black Hills is also concurrently filing a Motion for Approval of an Independent Evaluator ("IE") for its 2026 ERP and CEP, a Motion seeking certain waivers related to its Ready to Serve Plan and 2027-2030 RES Plan, and a Motion for Extraordinary Protection of Highly Confidential Information.

I. BACKGROUND

1. House Bill 19-1261, which was passed by the General Assembly in 2019, established economywide greenhouse gas emission reduction goals for the State of Colorado of 50 percent by 2030 and 90 percent by 2050, relative to 2005 levels. In 2019, the General Assembly also passed Senate Bill 19-236, which establishes power sector-specific emission reduction goals, and requires certain qualifying utilities include a Clean Energy Plan ("CEP") in their next Electric Resource Plan ("ERP") that reduces carbon emissions associated with electricity sales by 80

percent relative to 2005 levels by 2030 (“80 by 30”), while making progress toward achieving 100 percent clean energy goal by 2050.

2. As set forth in the Company’s Direct Testimony, in addition to complying with the standard ERP requirements set forth in the Commission’s Rules, the Company’s Ready to Serve Plan is designed with these goals in mind. Under Black Hills’ Phase I Preferred Plan, presented in Hearing Exhibit 101, Attachment MJH-1, the Company has modeled the acquisition of approximately 424 megawatts (“MW”) of new resources including wind, firm dispatchable gas, and storage. The Ready to Serve Plan describes the resource scenarios, sensitivity assumptions, generic resource assumptions, load forecasts, financial assumptions, and fuel price forecasts used in modeling resources. The Plan provides the modeling scenarios performed by Energy & Environmental Economics (“E3”), a consulting firm that Black Hills hired to model optimized portfolios under a variety of planning assumptions. The Plan also discusses the Phase II competitive resource procurement process that will occur after a final Phase I decision is issued.

3. Black Hills’ Application also includes the Company’s 2027-2030 RES Plan in compliance with the Commission’s Renewable Energy Standard Compliance Plan Rules. Black Hills’ 2027-2030 RES Plan contains proposals for simplified distributed energy resource incentives by replacing performance-based incentives with higher fixed upfront incentives for eligible solar and battery storage systems; standardized incentive structures and eligibility requirements to improve customer understanding, participation, and program administration; increased flexibility to reallocate RES program funding among program offerings based on customer demand and participation levels; replacement of the Community Solar Garden program with a new Inclusive Community Solar (“ICS”) program, consistent with SB 24-207; and a

simplified RES cost recovery framework to improve transparency and align with recent legislative changes. The proposed program establishes dedicated budgets for each customer class (IQ/DI, Standard, and Large Standard) and incorporates a simplified incentive structure that enables customers to easily determine the incentive levels available for qualifying system sizes. Eligible solar system sizes range from 0.5 kW to 25 kW for residential and small commercial customers and from 25 kW up to 1 MW for Large Standard customers. The Company also proposes to make 5.5 MW of ICS capacity available during the plan period, consisting of the 3.5 MW required by statute in 2027 and an additional 2 MW offered beginning in 2028. Black Hills proposes to increase its annual RESA collection from 1.5 percent to 2 percent due to the anticipated cost of ICS resources.

4. In support of this Application and the Company's Ready to Serve Plan and 2027-2030 RES Plan, the Company is providing the Direct Testimony and Attachments of eight witnesses. The following table identifies these witnesses and topics covered by each witness:

Witness	Position	Summary of Testimony
Michael J. Harrington	Director of Regulatory	Mr. Harrington presents an overview of and discuss the policy support for Black Hills' Ready to Serve Plan. As a policy witness for Black Hills, Mr. Harrington provides an overview of Black Hills, its customers and system in Colorado, discussing the Company's past leadership and history developing one of the cleanest electric utility systems in the State. Mr. Harrington introduces the Company's other witnesses, and provides a summary of the Ready to Serve Plan and 2027-2030 RES Plan. Mr. Harrington describes the legislative and rule requirements that apply to each Plan and explains the Company's approach toward both lowering its carbon emissions and meeting Colorado's RES requirements. He also supports the Company's requests for Commission approval in this Proceeding.
Amanda M. Thames	Resource Planning Manager	Ms. Thames discusses the Company's resource modeling and resource modeling results supporting the Ready to Serve Plan. Ms. Thames describes the input assumptions used in the optimization modeling for the Ready to Serve Plan. Ms. Thames also discusses the specific assumptions that were used in the Company's resource modeling and the results of the Company's modeling efforts. Most significantly, Ms. Thames supports the Company's selected Phase I Preferred Portfolio.

Witness	Position	Summary of Testimony
Nick Schlag	Director of Resource Planning at Energy and Environmental Economics (“E3”)—a third-party consultancy	Mr. Schlag supports the resource planning modeling and resource adequacy studies used in the Ready to Serve Plan. Mr. Schlag provides his expertise on lessons learned as utilities shift to higher levels of renewable generation on their systems. He also describes the technical analysis conducted by E3 in support of the Company’s Ready to Serve Plan, which included a resource adequacy study, a portfolio optimization study, and an operability study. From the resource adequacy study, Mr. Schlag identified: (1) the planning reserve margin (“PRM”) necessary to meet reliability criteria; and (2) the expected effective load carrying capability (“ELCC”) of wind, solar, and four-hour storage. The portfolio optimization study was used to develop resource portfolios under varying scenario assumptions, and the operability study provided better understanding of modeled resource portfolios.
Maria K. Garduna	Senior Environmental Professional	Ms. Garduna provides an overview of the 2027-2030 RES Plan. Ms. Garduna describes the Company’s greenhouse gas (“GHG”) emission reduction goals and carbon accounting methodologies, including how those methodologies comply with the State of Colorado’s emission reduction goals and requirements. Ms. Garduna supports the Company’s compliance with the requirement that utilities complete Colorado Department of Public Health and Environment (“CDPHE”) workbooks, which include details on the Company’s 2005 baseline and forecasted emissions using generation data for Company-owned assets, contracted sources, and market transactions (purchases and sales). Ms. Garduna also discusses the Company’s use of the social cost of carbon (“SCC”) and social cost of methane (“SCM”) in portfolio modeling.
Andy Butcher	Director of Generation Dispatch and Power Marketing	Mr. Butcher discusses how the Company plans to reliably integrate approximately 100 Megawatts (“MW”) of additional clean energy. He supports the planning reserve margin (“PRM”) used in the Company’s Plan, and the assumptions regarding the availability of economy energy and seasonal firm market power for the Company’s system.

Witness	Position	Summary of Testimony
Trevor Rombough	Manager of Transmission Planning	Mr. Rombough provides an overview of Black Hills' transmission system and system capabilities as well as an overview of the Company's transmission planning process, and transmission planning during the resource planning period. Mr. Rombough supports the Company's compliance with Commission Rule 3608 relating to transmission.
Nathan Larkin	Senior Regulatory Analyst	Mr. Larkins discusses the Renewable Energy Standard ("RES") rules that specify the current filing requirements of a RES Plan as well as other relevant Commission rules. He discusses the changes that the Company anticipates for future RES Plan filings as a result of the passage of House Bill 26-1326, the ("PUC Sunset Bill"). Mr. Larkin discusses the various components of the Company's current 2023-2026 RES Plan as well as the proposed changes to the 2027-2030 RES Plan. He explains the Company's request to simplify the cost recovery framework for RES and Clean Energy Plan ("CEP") resources. Mr. Larkin provides the resulting bill impacts and the proposed tariff revisions that support the Company's 2027-2030 RES Plan proposals.
Kerri Schlachter	Program Manager - Western Markets and Policy	Ms. Schlachter explains the Resource Adequacy ("RA") constructs associated with the two organized market options evaluated by the Company, Southwest Power Pool ("SPP") Markets+ and the SPP Regional Transmission Organization ("RTO"). She explains how Black Hills evaluated the potential impacts of these RA constructs in its assessment of how the market participation options can impact the Electric Resource Plan ("ERP"). She discusses the Company's expectation that resource adequacy requirements throughout the Western Interconnection will continue to evolve over time and how Black Hills intends to monitor those developments and plan its resource portfolio to maintain compliance with applicable resource adequacy requirements regardless of the market path ultimately pursued.

II. REQUESTED APPROVALS AND FINDINGS

5. By this Application, Black Hills requests the Commission issue a decision:

- Finding that the Company's modeling inputs and assumptions associated with its Preferred Portfolio, including its proposal to update certain inputs and assumptions, are reasonable and appropriate, and provide a reasonable basis on which to conduct the Company's Phase II modeling;
- Authorizing the Company to move forward with its proposed Phase II competitive acquisition and bid evaluation process;
- Authorizing the Company to use a seasonal Planning Reserve Margin of 8.5 percent in the summer and 18.5 percent in the winter
- Approving the Company's request to track the decommissioning cost of two diesel unit retirements in a regulatory asset, and without the need for any future regulatory approval or CPCN to retire the units;
- Approving the Company's 2027-2030 RES Plan, including Black Hills' proposed capacity and acquisition levels, incentive levels, and other programmatic proposals/modifications;
- Approving Black Hills' proposal for future RES reporting;
- Approving Black Hills' proposal to offer 3.5MW of ICS capacity in 2027 and 2MW of ICS capacity in 2028 (with any unawarded capacity from 2028 carrying over to 2029 and 2030).
- Approving Black Hills' proposed cost recovery method in which DG resources are recovered through the RESA and system resources are recovered through an existing recovery mechanism, and to recover the costs for ICS facilities through the ECA;
- Recognizing that the Company is not proposing to change to the CEPR in this proceeding, the Company's ongoing electric rate case (Proceeding No. 26AL-0232E), proposes to set the CEPR to zero, and the Company does not propose to recover the costs for future CEP resources through the CEPR at this time. The Company will evaluate the potential use of the CEPR in Phase II;
- Authorizing Black Hills to increase its RESA surcharge from 1.5 percent to 2 percent;
- Granting the Company's requested waivers and variances as set forth in its concurrently filed motion for waivers and variances, and any other waivers or variances the Commission deems necessary for the Company to implement the Commission's final decision in this Proceeding;

- Authorizing the Company to track and defer costs associated with preparing and litigating this Proceeding, to be offset by any bid fees received as part of the Phase II solicitation process, for future recovery;
- Authorizing the Company to implement all tariffs and tariff changes necessitated by the Commission's decision in this Proceeding through one or more compliance advice letter filing(s) on not less than two business days' notice; and,
- Granting all other necessary approvals and relief necessary to implement the Company's proposals set forth in its Application.

III. INFORMATION REQUIRED BY RULES 3002(B) AND (C)

Subparagraph 3002(b)(I). The name and address of the applying utility.

Black Hills Colorado Electric, LLC
105 South Victoria Avenue
Pueblo, CO 81003

Subparagraph 3002(b)(II). The name(s) under which the applying utility is, or will be, providing service in Colorado.

Black Hills Colorado Electric, LLC provides service under Black Hills Energy. Black Hills Energy is its registered trade name on file with the Colorado Secretary of State's office.

Subparagraph 3002(b)(III). The name, address, telephone number, facsimile number, and e-mail address of the applying utility's representative to whom all inquiries concerning the application should be made.

The undersigned, as well as:

Michael Harrington
Director, Regulatory
Black Hills Corporation
14103 Denver West Parkway, Suite 100
Golden, CO 80401
Telephone: (720) 203-4388
Michael.Harrington@blackhillscorp.com

Jennifer Bass
Manager, Regulatory
Black Hills Corporation
14103 Denver West Parkway, Suite 100
Golden, CO 80401
Telephone: (720) 983-1971
Jennifer.Bass@blackhillscorp.com

Greg E. Sopkin, #20997
Associate General Counsel
Black Hills Corporation
14103 Denver West Parkway, Suite 100

Golden, CO 80401
Telephone: (720) 299-5154
Email: Greg.Sopkin@blackhillscorp.com

Subparagraph 3002(b)(VII). In lieu of the separate statements required by subparagraphs (b)(IV) through (VI) of this rule, a utility may include a statement that it has read, and agrees to abide by, the provisions of subparagraphs (b)(IV) through (VI) of this rule.

The Company has read, and agrees to abide by, the provisions of subparagraphs (b)(IV) through (VI) of this rule.

Subparagraph 3002(b)(VIII). A statement describing the applying utility's existing operations and general service area in Colorado.

The Company provides electric service to approximately 100,000 customers in several communities in Colorado. The largest communities served include Pueblo, Cañon City, and Rocky Ford. The Company's service territory encompasses parts of Crowley, Custer, El Paso, Fremont, Otero, Pueblo, and Teller counties.

Subparagraph 3002(b)(IX). For applications listed in subparagraphs (a)(I), (II), (III), (V), and (VI) of this rule, a copy of the applying utility's or parent company's and consolidated subsidiaries' most recent audited balance sheet, income statement, statement of retained earnings, and statement of cash flows so long as they provide Colorado specific financial information.

Not applicable. This is an application pursuant to subparagraph (a)(XVI).

Subparagraph 3002(b)(X). A statement indicating the town or city, and any alternative town or city, in which the applying utility prefers any hearings be held.

If this application is set for hearing, the Applicant prefers that the hearing be held at the Commission's offices in Denver, Colorado.

Subparagraph 3002(b)(XI). Acknowledgment that, by signing the application, the applying utility understands that:

- (A) The filing of the application does not by itself constitute approval of the application.**
- (B) If the application is granted, the applying utility shall not commence the requested action until the applying utility complies with applicable Commission rules and any conditions established by Commission order granting the application.**

(C) If a hearing is held, the applying utility must present evidence at the hearing to establish its qualifications to undertake, and its right to undertake, the requested action.

(D) In lieu of the statements contained in subparagraphs (b)(XI)(A) through (C) of this rule, an applying utility may include a statement that it has read, and agrees to abide by, the provisions of subparagraphs (b)(XI)(A) through (C) of this rule.

The Applicant has read, and agrees to abide by, the provisions of subparagraphs (b)(XI)(A) through (C) of this rule.

Subparagraph 3002(b)(XII). An attestation which is made under penalty of perjury; which is signed by an officer, a partner, an owner, an employee of, an agent for, or an attorney for the applying utility, as appropriate, who is authorized to act on behalf of the applying utility; and which states that the contents of the application are true, accurate, and correct. The application shall contain the title and the complete address of the affiant.

An affidavit signed by an authorized representative of the Company verifying that the contents of the Verified Application are true, accurate, and correct to the best of his knowledge is attached hereto. The Verification contains the name, title, and the complete address of the affiant, as required by Commission rules.

Subparagraph 3002(c). In addition to the requirements of specific rules, all applications shall include the information listed in subparagraphs (a)(I) through (V) of rule 1310. Applying utilities may either include the information in the application itself, or incorporate the information by reference to the miscellaneous docket created under rule 1310.

Black Hills hereby incorporates by reference the information maintained in Repository Proceeding No. 06M-525EG. The most current information was filed with the Commission on January 15, 2026 and officer and director information was updated on August 19, 2026. The information on file in that docket is correct as of the date of this Application.

IV. CONCLUSION

WHEREFORE, Black Hills respectfully requests that the Commission: (a) deem this Application complete; (b) enter an order approving the 2026 ERP and CEP and 2027-2030 RES Plan, including the specific approvals outlined above; and (c) to the extent necessary or

appropriate, grant such waivers, conditions, approvals or such other and further relief as it deems appropriate, consistent with this Application and concurrently filed motions.

Dated September 11, 2026

Respectfully submitted,

By: /s/ Greg Sopkin
Greg E. Sopkin, #20997
Associate General Counsel
Black Hills Corporation
14103 Denver West Parkway, Suite 100
Golden, CO 80401
Telephone: (720) 299-5154
Email: Greg.Sopkin@blackhillscorp.com

**Attorney for Black Hills Colorado Electric, LLC
d/b/a Black Hills Energy**

Applicant's address:

Black Hills Colorado Electric, LLC
105 South Victoria Avenue
Pueblo, CO 81003

CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of September 2026 the foregoing application was E-filed and served through the Commission E-filings System.

/s/ Elaine Hegler

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

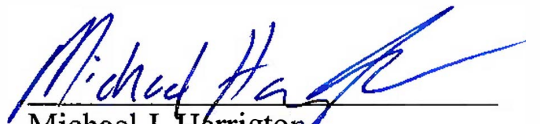
PROCEEDING NO. 26A – ____E

IN THE MATTER OF THE APPLICATION OF BLACK HILLS COLORADO ELECTRIC, LLC FOR (1) APPROVAL OF ITS 2026 ELECTRIC RESOURCE PLAN AND CLEAN ENERGY PLAN, AND (2) APPROVAL OF ITS 2027-2030 RENEWABLE ENERGY STANDARD COMPLIANCE PLAN.

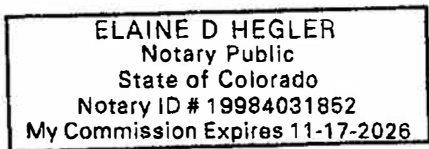
Verification

State of Colorado)
) SS.
County of Jefferson)

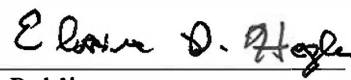
I, Michael J. Harrington, being duly sworn, do hereby depose and state that I am Director -Regulatory for Black Hills; that I have read the foregoing Verified Application; that I am authorized to act on behalf of Black Hills; and that all statements made in the Verified Application are true and complete to the best of my knowledge.



Michael J. Harrington
Director - Regulatory
14103 Denver West Parkway, Suite 100
Golden, CO 80401



Subscribed and sworn before me this 9th day of
September, 2026.



Notary Public

My Commission Expires: 11-17-26