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July 31, 2024

Patricia Van Gerpen
South Dakota Public Utilities Commission
State Capitol Building 500 E. Capitol Ave.
Pierre, SD 57501-5070

RE: Black Hills Power, Inc. Avoided Cost Calculation informational filing

Dear Ms. Van Gerpen:

Pursuant to 18 CFR § 292.302, at least every two years, Black Hills Power, Inc. d/b/a Black Hills Energy (“Black Hills” or the “Company”) must provide to its state regulatory authority data from which avoided cost may be derived. This rate is applicable to the Company’s Cogeneration and Small Power production Service Simultaneous Power Generation Credit Rate and sets forth the rate under which Black Hills is obligated to purchase energy and capacity from Qualifying Facilities (“QF”) with design capacity of 100 KW or less.

Enclosed are Exhibit 1 Black Hills 100 kW Solar Project Rate Calculation and Exhibit 2 Black Hills 100 kW Wind Project Rate Calculation. Black Hills is filing its current avoided cost calculation as an informational filing and is choosing not to change its rate.

Black Hills’ current avoided cost rate is \$0.0248/kWh. Black Hills’ current calculation would put it rate at \$0.0205/kWh. If Black Hills updated its rate it would result in a \$0.0043/kWh reduction in energy payments made to QF customers with a design capacity of 100 KW or less. Any burden of keeping the current rate in effect will not be passed on to other customers.

Please contact me at (605) 721-1502 if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. S. Keil', is written over a light blue horizontal line.

Jason S. Keil
Enc.: Exhibit 1 - Black Hills 100 kW Solar Project Rate Calculation
Exhibit 2 - Black Hills 100 kW Wind Project Rate Calculation

<u>Month</u>		
Jul-24	\$	19.60
Aug-24	\$	21.61
Sep-24	\$	23.25
Oct-24	\$	18.54
Nov-24	\$	21.05
Dec-24	\$	22.16
Jan-25	\$	20.58
Feb-25	\$	29.79
Mar-25	\$	30.41
Apr-25	\$	20.23
May-25	\$	16.89
Jun-25	\$	17.03
Jul-25	\$	17.85
Aug-25	\$	19.83
Sep-25	\$	24.97
Oct-25	\$	16.44
Nov-25	\$	23.32
Dec-25	\$	16.95
Jan-26	\$	17.20
Feb-26	\$	20.23
Mar-26	\$	23.98
Apr-26	\$	16.32
May-26	\$	12.61
Jun-26	\$	21.29
Generation Credit Rate (per MWh)	\$	20.51
Generation Credit Rate (per kWh)	\$	0.0205

<u>Month</u>		
Jul-24	\$	17.51
Aug-24	\$	19.80
Sep-24	\$	22.73
Oct-24	\$	17.74
Nov-24	\$	19.62
Dec-24	\$	19.86
Jan-25	\$	19.59
Feb-25	\$	31.75
Mar-25	\$	30.52
Apr-25	\$	20.32
May-25	\$	16.98
Jun-25	\$	16.19
Jul-25	\$	17.28
Aug-25	\$	18.83
Sep-25	\$	24.32
Oct-25	\$	16.94
Nov-25	\$	23.00
Dec-25	\$	17.92
Jan-26	\$	17.98
Feb-26	\$	20.77
Mar-26	\$	23.77
Apr-26	\$	16.47
May-26	\$	12.64
Jun-26	\$	21.01
Generation Credit Rate (per MWh)	\$	20.15
Generation Credit Rate (per kWh)	\$	0.0201