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August 30, 2024

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Jason S. Keil Black Hills Energy Manager – Regulatory 7001 Mt. Rushmore Road Rapid City, SD 57702

RE: EL24-026 – In the Matter of the Filing by Black Hills Power, Inc. dba Black Hills Energy regarding its Notification of Intent to Apply for a Permit for an Energy Conversion Facility for the Proposed Lange 2 Power Plant Project

On August 29, 2024, the South Dakota Public Utilities Commission (Commission) issued the enclosed Order Designating Affected Area and Designating Local Review Committee in response to a Notification of Intent filed on August 2, 2024, by Black Hills Power, Inc. dba Black Hills Energy (BHE). BHE proposes to construct, own, and operate an energy conversion facility consisting of three reciprocating internal combustion engines fueled by natural gas only and three dual fuel reciprocating internal combustion engines, an engine hall building, and other associated facilities. This proposed energy conversion facility is described in more detail in the enclosed Order and the Notification of Intent.

You have received a copy of this Order and the other enclosed materials because our contacts with local governments in the area indicate you currently hold one of the offices designated to serve on the Local Review Committee (Committee) for the Project. The responsibilities of the Committee are essentially to assess the potential social and economic effects of the proposed generating facility, assess the surrounding area's ability to absorb those effects and arrive at recommendations and mitigation measures deemed necessary. State law requires the Commission designate an Affected Area and designate a Local Review Committee within 30 days

of receiving a Notice of Intent and defines the Committee's duties in detail. Copies of the applicable state laws are enclosed for your reference.

At this time, BHE has only filed a notice of its intent to file an application for a permit, as it must do at least six months prior to filing its permit application. This means that BHE can file its actual application for a permit on or after February 2, 2025. Within seven months after the permit application is filed, the Committee is required to file a final report with the Commission containing its findings and its recommendations. If the Commission so approves, the Committee may employ outside persons, such as consultants, to assist the Committee in performing its duties and the expenses of this will be paid from the initial fee that BHE will be required to file with its application. Expense and compensation payments to the committee members themselves, however, are the responsibility of the units of government which the members represent.

The Committee's first step is generally to meet and select a chairperson. While the Committee is an independent body separate from Commission Staff, Staff is available to answer any questions the Committee may have. Should you need to contact Staff, please do not hesitate to contact Amanda Reiss, Logan Schaefbauer, Darren Kearney, or Jon Thurber at (605) 773-3201.

The Notice of Intent, Order, and all other documents in this case are on file in the Commission's office in the Capitol Building in Pierre and may also be accessed on the Commission's website at www.puc.sd.gov under "Commission Actions," "Commission Dockets," "Electric Dockets," "2024 Electric Dockets," "EL24-026."

Please do not hesitate to contact me should you have any questions or concerns regarding this letter, or the Local Review Committee.

Sincerely,

Logan D. Schaefbauer

Staff Attorney

South Dakota Public Utilities Commission

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Enc.

Cc/enc. – Service List EL24-026