BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL25-012

REQUEST DATE : 07/25/25

RESPONSE DATE : 08/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

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SDPUC Request No. 5.1:

Provide an updated total capital cost of BHE standing up its own balancing authority and joining WEIM.

Response to SDPUC Request No. 5.1:

Black Hills Power's balancing authority project capital costs:



Black Hills Power's Western Energy Imbalance Market capital costs:



Responder: Denton McGregor

Attachments: None

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL25-012

REQUEST DATE : 07/25/25

RESPONSE DATE : 08/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

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SDPUC Request No. 5.2:

Provide an estimate of any additional capital costs BHE would incur if it were to join SPP in the future.

Response to SDPUC Request No. 5.2:

Black Hills Power has not estimated the additional capital costs that would be incurred if Black Hills Power were to join and integrate into the SPP RTO in the future.

Please also see Response to SDPUC Request No. 5.3.

Responder: Eric Egge

Attachments: None

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL25-012

REQUEST DATE : 07/25/25

RESPONSE DATE : 08/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

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SDPUC Request No. 5.3:

Provide what the total capital costs would've been to join the SPP RTO expansion instead of WEIM.

Response to SDPUC Request No. 5.3:

Black Hills Power has not estimated the total capital costs of joining the SPP RTO Expansion instead of the WEIM. At the time of the SPP deadline for Black Hills Power to make a decision to join the SPP RTO Expansion there were many unresolved issues that directly contributed to Black Hills Power's decision not to join. These issues included:

- Uncertainty surrounding the resource adequacy construct to be used within the SPP RTO Expansion footprint – Attachment AA in the SPP RTO tariff or the Western Resource Adequacy Program (WRAP).
- Uncertainty regarding the RTO Expansion planning reserve margin.
- Lack of information of transmission pricing zone boundary and projected zonal rates which could directly impact customer costs.
- No details regarding the large generator interconnection process migration plan from individual tariff queues to a consolidated western RTO queue.

It was in light of these unresolved questions, which would necessarily impact both customer costs and benefits, that Black Hills Power made the decision not to participate in the initial SPP RTO Expansion.

Responder: Eric Egge

Attachments: None

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL25-012

REQUEST DATE : 07/25/25

RESPONSE DATE : 08/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

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SDPUC Request No. 5.4:

Provide an updated initial O&M cost of BHE standing up its own balancing authority and joining WEIM.

Response to SDPUC Request No. 5.4:

Black Hills Power's balancing authority project O&M costs:

[redacted]

Black Hills Power's Western Energy Imbalance Market project O&M costs:

[redacted]

Responder: Denton McGregor

Attachments: None

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL25-012

REQUEST DATE : 07/25/25

RESPONSE DATE : 08/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

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SDPUC Request No. 5.5:

Provide an estimate of any additional initial O&M costs BHE would incur if it were to join SPP in the future.

Response to SDPUC Request No. 5.5:

Black Hills Power does not have an estimate of the additional initial O&M costs it would incur if it were to join SPP in the future.

Please also see Response to SDPUC Request No. 5.3.

Responder: Eric Egge

Attachments: None

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL25-012

REQUEST DATE : 07/25/25

RESPONSE DATE : 08/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

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SDPUC Request No. 5.6:

Provide what the initial O&M costs would've been to join the SPP RTO expansion instead of WEIM.

Response to SDPUC Request No. 5.6:

Black Hills Power has not estimated what the initial O&M costs would have been to join the SPP RTO expansion instead of the WEIM.

Please also see Response to SDPUC Request No. 5.3.

Responder: Eric Egge

Attachments: None

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL25-012

REQUEST DATE : 07/25/25

RESPONSE DATE : 08/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

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SDPUC Request No. 5.7:

Provide an updated ongoing O&M cost of BHE standing up its own balancing authority and joining WEIM.

Response to SDPUC Request No. 5.7:

Total on-going O&M for the WEIM is estimated at approximately [redacted] per year, with Black Hills Power's portion estimated to be approximately [redacted] per year.

The estimated cost of ongoing O&M once Black Hills Power stands up its own balancing authority is estimated to be approximately [redacted] per year, which will be shared among BA and transmission service customers.

Responder: Denton McGregor

Attachments: None

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL25-012

REQUEST DATE : 07/25/25

RESPONSE DATE : 08/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

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SDPUC Request No. 5.8:

Provide an estimate of any additional ongoing O&M costs BHE would incur if it were to join SPP in the future.

Response to SDPUC Request No. 5.8

Black Hills Power has not estimated what additional ongoing O&M costs it would incur if it were to join SPP in the future.

Please also see Response to SDPUC Request No. 5.3.

Responder: Eric Egge

Attachments: None

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL25-012

REQUEST DATE : 07/25/25

RESPONSE DATE : 08/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

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SDPUC Request No. 5.9:

Provide what the ongoing O&M costs would've been to join the SPP RTO expansion instead of WEIM.

Response to SDPUC Request No. 5.9:

Black Hills Power has not estimated what the ongoing O&M costs would have been to join the SPP RTO expansion instead of WEIM.

Please also see Response to SDPUC Request No. 5.3.

Responder: Eric Egge

Attachments: None

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL25-012

REQUEST DATE : 07/25/25

RESPONSE DATE : 08/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

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SDPUC Request No. 5.10:

Refer to the response to Data Request 4-5, part b. Confirm that there haven't been any balancing authority O&M costs recovered through the TCA yet. When does BHE anticipate this recovery to begin?

Response to SDPUC Request No. 5.10:

Confirmed. No balancing authority O&M costs have been included in Black Hills Power's Transmission Cost Adjustment. Balancing authority costs will be included in Black Hills Power's 2026 Transmission Cost Adjustment filing on May 10, 2026.

Responder: Jason Keil

Attachments: None

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL25-012

REQUEST DATE : 07/25/25

RESPONSE DATE : 08/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

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SDPUC Request No. 5.11:

What is the status of the recovery of WEIM costs and the cost of standing up a balancing authority in Wyoming? What recovery mechanisms are being used there?

Response to SDPUC Request No. 5.11:

Black Hills Power is authorized by the Wyoming Public Service Commission to establish a regulatory asset to record and preserve costs related to the study of balancing authority options including participation in energy markets or a regional transmission organization including associated implementation costs with disposition to be determined at a later date.

Responder: Jason Keil

Attachments: None

BLACK HILLS POWER, INC.
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REQUEST DATE : 07/25/25

RESPONSE DATE : 08/08/25

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SDPUC Request No. 5.12:

Refer to the response to Data Request 4-6. Provide an explanation of the complications that kept PacifiCorp from being able to integrate BHE into their balancing authority.

Response to SDPUC Request No. 5.12:

[redacted]

[redacted]

Responder: Eric Egge

Attachments: None

BLACK HILLS POWER, INC.
d/b/a BLACK HILLS ENERGY
EL25-012

REQUEST DATE : 07/25/25

RESPONSE DATE : 08/08/25

REQUESTING PARTY: South Dakota Public Utilities Commission Staff

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SDPUC Request No. 5.13:

Refer to the response to Data Request 4-10. How much more was spent joining WEIS before joining WEIM than if BHE could've just joined WEIM from the beginning?

Response to SDPUC Request No. 5.13:

Black Hills Power did not have the option to join WEIM when it integrated into WEIS as Black Hills Power was not its own Balancing Authority and only Balancing Authorities can join WEIM. In addition, Black Hills' Balancing Authority, WAPA, elected not to join the WEIM and instead joined the WEIS.

Black Hills Power and two affiliates (Cheyenne Light, Fuel and Power Company and Black Hills Colorado Electric) spent approximately $2.1 million implementation costs to join the SPP WEIS. Much of these costs are related to investments that are now being leveraged to participate in the WEIM.

Please see Response to SDPUC Request No. 1.1 for net benefits that have been passed on to customers.

Responder: Andy Butcher

Attachments: None

CERTIFICATE OF SERVICE

I certify the foregoing document was filed through the South Dakota Public Utilities Commission website this 8th day of August, 2025 and served on the following:

Patricia Van Gerpen
Amanda Reiss
Jeannie Fuerst
Patrick Steffensen
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
Patty.vangerpen@state.sd.us
Amanda.reiss@state.sd.us
Jennie.fuerst@state.sd.us
Patrick.steffensen@state.sd.us



Todd Brink