
RESILIENT.
RELIABLE.
READY.
sustainability report
2023
Black Hills Energy
Ready

CONTENTS

READY TO MAKE TOMORROW EVEN BETTER THAN TODAY

For over 140 years, we've had the privilege of serving rural towns and growing cities across our service territory. We've championed these communities and evolved our organization by never losing sight of our responsibility to provide safe, reliable and cost-effective energy.

Today, we proudly serve 1.34 million customers in eight states, remaining mindful of our broader environmental, economic and social impacts on all our stakeholders. Our mission of *improving life with energy* means we must be ready to make tomorrow even better than today. We strongly believe that multiple energy sources, working together, will provide the solutions for a cleaner and resilient energy future.

We're proud that we've reduced our electric utilities' greenhouse gas emissions intensity by nearly one-third since 2005 and we're well on our way to achieving our reduction goals of 40% by 2030 and 70% by 2040. Additionally, we've reduced reported natural gas distribution system emissions by 27% since 2022. We accomplished this by replacing unprotected steel pipelines, reducing transfer station leaks and realizing data integrity improvements — making considerable progress towards our 2035 net zero target.

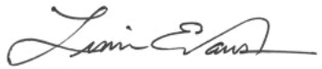
Our winning aspiration is to be the trusted energy partner across our growing footprint. Our commitment to our customers fuels this aspiration. In 2023, our economic impact totaled nearly $1.35 billion, with $6.1 million in community support. That included $1.6 million in support of hometown charities, contributions and sponsorships to nonprofits, United Way, energy assistance, in-kind donations, scholarships and investments in the planting of trees throughout our communities.

We know that our continued support of our communities helps attract investment, stimulate innovation and create jobs that all contribute to the stability and growth of the cities, towns and businesses we live and work in every day. Giving back is part of our culture, as shown by our nearly 2,900 employees who contributed $495,000 to more than 45 United Way organizations across our service territory, which was matched at 25% by our corporate foundation.

It's our nearly 2,900 coworkers who ultimately make it possible to deliver upon our mission and winning aspiration. Whether by working safely every day, weathering the storm to keep energy flowing or finding creative solutions to help a customer, our team is the lifeblood of this organization. We remain focused on retaining and attracting a talented, engaged and thriving organization that is people-powered and purpose driven.

In sharing our 2023 Corporate Sustainability Report, we ask that you join us as we work to make tomorrow better than today. We take great pride in delivering safe, reliable, cost-effective and cleaner energy solutions and we thank you for your continued interest in Black Hills Energy as we progress along our journey.

Sincerely,



Linden "Linn" R. Evans
President and CEO

MAKING STRIDES IN SUSTAINABILITY

As we close the chapter on 2023, it's natural to reflect on progress and the accomplishments of the last year. As you'll see from this report, there were many, and we're proud to share these updates with you. However, looking back will not get us where we need to go and so we're committed to also providing transparency in the road ahead.

We're four years out from establishing our electric utility emission intensity goals of reaching a 40% reduction by 2030 and 70% by 2040, and two years post announcing our natural gas distribution system target of net zero by 2035. We'll have many decisions to make and work to do, but we're well positioned to achieve our goals and proud of the progress we've made to advance our overall sustainability strategy.

Progress comes in many forms, some as large projects and exciting innovations, while others look more like the steady, small improvements to run a reliable, safe and effective energy delivery system made by our team every day. No matter which forms they take, this progress wouldn't be possible without the coordinated efforts of teams across our company and strong partnerships with our many stakeholders.

Highlights from 2023 included:

- We're transitioning to a cleaner energy future through the addition of low or zero-carbon generation sources. Our Colorado Clean Energy Plan proposes to add 400 MW of renewable energy and battery storage, which will achieve an 89% reduction in GHG emissions by 2030.
- Through natural gas pipe replacement, reductions in transfer station leaks and data integrity improvements, we've reduced reported natural gas distribution system GHG emissions by 27% since 2022. This is significant progress towards our net zero by 2035 target and a continued benefit to the safety and reliability of our natural gas system.
- The launch and expansion of Green Forward, our voluntary renewable natural gas attribute and carbon offset program, provides customers with a cost-effective path to offset up to 100% or more of the emissions associated with their own natural gas carbon footprint. Green Forward is now available to eligible residential and commercial customers in all six of our natural gas utilities.
- Innovative partnerships are key to creating sustainable solutions. We're proud to have received a Wyoming Energy Authority grant along with Babcock & Wilcox to partner on a first-of-its kind pilot hydrogen plant, which will convert coal to clean hydrogen at our Gillette, Wyoming, energy complex.

Thank you for taking time to read about this past year's strides in sustainability and for being a stakeholder in our shared future. We strive to be better every day and make positive, viable impacts for our stakeholders, communities, company and the environment. By doing so, we know we can deliver on our mission to improve life with energy.

Sincerely,

Katie Fleming
Chief Sustainability Officer
Director of Strategic Planning and Communications

ABOUT THIS REPORT

Our corporate sustainability report provides insight and transparency into the environmental, social and economic impacts of Black Hills Energy. This voluntary report is informed by sustainability reporting guidelines and strives to provide relevant insights into our business and how we view sustainability.

Black Hills Energy is driving progress toward the United Nations (UN) Sustainable Development Goals (SDGs) within our company and the communities we serve. Throughout this report, we have mapped our business activities to the SDGs based on direct and indirect impact within our company and in the communities we serve.

Reporting framework

This report was developed using guidance from the Edison Electric Institute (EEI) and the American Gas Association (AGA) Environmental, Social and Governance (ESG) qualitative disclosure and the Global Reporting Initiative (GRI). In addition to our corporate sustainability report, we also disclose through the following ESG frameworks, which can be found at **blackhillsenergy.com/sustainability**:

- **EEI quantitative report**
- **AGA quantitative report**
- **Natural Gas Sustainability Initiative (NGSI) protocol**
- **Sustainability Accounting Standards Board (SASB)**
- **Task force on Climate Related Financial Disclosures (TCFD)**

Additional information

Several of Black Hills Corp.'s subsidiaries do business as Black Hills Energy. As this trade name is the commonly recognized name by many of our customers and shareholders, Black Hills Energy and Black Hills Corp. are used interchangeably throughout this report for ease of reference. Please note, the data supporting the disclosures contained in this report is representative of all subsidiary companies, not just those subsidiaries who operate under the trade name.

Black Hills Energy is committed to sharing information about our business and operations that we know is important to our stakeholders. We have issued new and updated reports, which can be found at **blackhillsenergy.com/sustainability**. Additional financial information is posted at **ir.blackhillscorp.com**.

We welcome your feedback

As you review our corporate sustainability report, we encourage you to provide us feedback. Please send any comments to investorrelations@blackhillscorp.com. Thank you.

Forward-looking statements

This report includes "forward-looking statements" as defined by the Securities and Exchange Commission, or SEC. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this report that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, are forward-looking statements, which are subject to various risks and uncertainties. Factors that could cause actual results to differ from those in the forward-looking statements may accompany the statements themselves.

These forward-looking statements are based on assumptions which we believe are reasonable based on current expectations and projections about future events and industry conditions and trends affecting our business. Our business and any offering may be influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual results and are often beyond our ability to control. These factors include, but are not limited to, our ability to deliver safe, reliable and cost-effective energy to our customers.

Whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including without limitation, the risk factors described in Items 1A of our **2023 Annual Report** on **Form 10-K** and other reports that we file with the SEC from time to time.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time to time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

SUSTAINABILITY STRATEGY

We are excited to announce significant advancements in our decarbonization journey. We have continued to achieve progress toward our goal to reduce electric utility greenhouse gas emission intensity 40% by 2030 and 70% by 2040, as well as our natural gas utility goal to be net zero for our distribution system by 2035.

ELECTRIC EMISSIONS
↓ **40%** by 2030
↓ **70%** by 2040

NATURAL GAS EMISSIONS
↓ **Net Zero** by 2035

Goals and progress

We've reduced electric utility emissions by nearly one-third since 2005 through the addition of renewables and natural gas and retirement of aging coal plants. Our natural gas utility reported emissions have reduced 27% since 2022, making significant progress towards our net zero by 2035 target.

Commitment to sustainability

At Black Hills Energy, our mission of *improving life with energy* means we must be ready to make tomorrow even better than today. That's why we are committed to creating a cleaner energy future that builds upon our responsibility to provide safe, reliable and cost-effective energy that improves our customers' lives. By investing in the success of our employees, continual innovation, thoughtful utilization of resources and keeping people at the core of our decision making, we are dedicated to the sustainability of our company, communities and planet.

ESG strategy and management

Black Hills Energy is continuously strengthening our sustainability strategy. We are building upon our success of delivering cost-effective energy for customers and strong returns for investors by seeking renewable energy growth opportunities, minimizing risk and responding to stakeholders' evolving expectations. ESG and sustainability are inherently connected throughout our business and our ESG management is structured accordingly. Our board of directors oversees ESG, with management leadership from our CEO and executive ESG Steering Committee, our dedicated ESG and sustainability department and our cross-functional sustainability working group.

Risks and opportunities

We recognize the inherent role our business plays in the well-being of our planet and communities. Please see **Black Hills Corp.'s 2023 Form 10-K** and our **Task Force on Climate-related Financial Disclosures** for a discussion on ESG risks and opportunities, including climate change, policy and regulatory developments, emerging technology and customer growth.

STAKEHOLDER ENGAGEMENT

We value our stakeholders and the diverse perspectives they offer. We engage with our stakeholders in a variety of methods and frequencies to both share information and receive feedback. The table on the right outlines engagement channels by stakeholder group.

Our stakeholders include:	Engagement channels:	
Customers	• Websites • Market research • Customer feedback (surveys, online comments, web chat, phone calls, email) • Billings statements, inserts and messages • Direct mail and letters • Emails	• Text messaging • Social media • Paid media placement • Citizen advisory councils • Energy efficiency programs • Business account representatives
Communities	• Support of community events and programs • First responder training • Volunteerism	• Ongoing dialogue • Infrastructure project planning
Employees	• Company huddles • Intranet • Training events • Team meetings • Total Rewards statements	• Surveys • Employee resource groups • Performance reviews • Email newsletters
Investors and shareholders	• Earnings calls and presentations • Annual shareholders meeting • News releases	• Investor/industry conferences • Investor relations website • Analyst meetings
Regulators	• Direct communication with staff/ consumer councils	• Regulatory filings • Routine outreach
Local, state and federal government	• Franchise agreements	• Public meetings/hearings
Suppliers	• Supplier meetings and onboarding • Supplier portal communication	• Code of Business Conduct • Surveys
Banks and rating agencies	• Ongoing dialogue	• Quarterly updates
Non-governmental organizations	• Presentation at, and participation in, organizations' meetings	• Direct outreach
Unions	• Annual benefit meetings • Ongoing dialogue	• Labor management meetings

ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRIORITIES

Based on our stakeholders' expectations and our company's needs, we have four ESG pillars that form the basis of our reporting strategy and business execution. Each section of this report explores topics in each pillar that are material to our stakeholders and company.

ENVIRONMENTAL STEWARDSHIP

Creating a cleaner energy future that provides safe, reliable and cost-effective energy.

SOCIAL RESPONSIBILITY

Keeping people at the center of our decision making — our employees, customers and communities.

SUSTAINABLE GROWTH

Delivering long-term value to our customers, communities and shareholders.

CORPORATE GOVERNANCE

Developing and executing policies and principles that lay a strong groundwork for sustainable success.

COMPANY PROFILE

Black Hills Corp. (NYSE: BKH) is a customer-focused, growth-oriented utility company with a tradition of exemplary service and a vision to be the energy partner of choice. Based in Rapid City, South Dakota, the company serves 1.34 million electric and natural gas utility customers in 826 communities in Arkansas, Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming. Employees partner to produce results that improve life with energy.

OUR MISSION

Improving life with energy

OUR VISION

To be the energy partner of choice

We are composed of regulated natural gas and electric utilities which are supported by vertically integrated power generation and mining businesses. We operate one of the largest natural gas infrastructure systems in the country, across eight geographically diverse states.

OUR VALUES

Agility
We embrace change and challenge ourselves to adapt quickly to opportunities.

Communication
Consistent, open and timely communication keeps us focused on our strategy and goals.

Creating Value
We are committed to creating exceptional value for our shareholders, employees, customers and the communities we serve ... always.

Customer Service
We are committed to providing a superior customer experience every day.

Integrity
We hold ourselves to the highest standards based on a foundation of unquestionable ethics.

Leadership
Leadership is an attitude. Everyone must demonstrate the care and initiative to do things right.

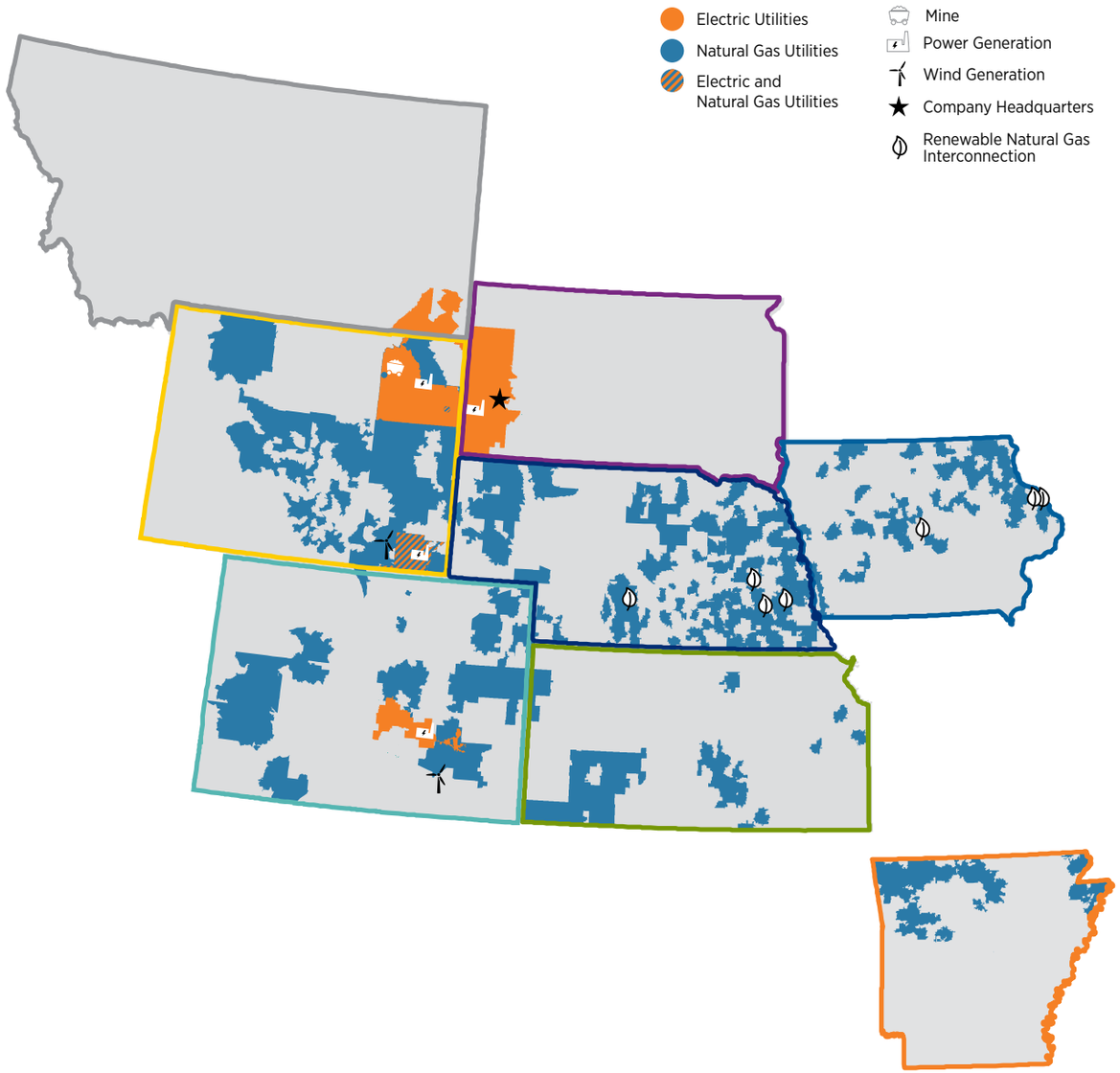
Partnership
Our partnerships with shareholders, communities, regulators, customers and each other make us all stronger.

Respect
We respect each other. Our unique talents and diversity anchor a culture of success.

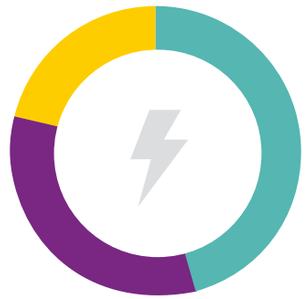
Safety
We commit to live and work safely every day.

ABOUT US

Service territory map



Electric utility customers

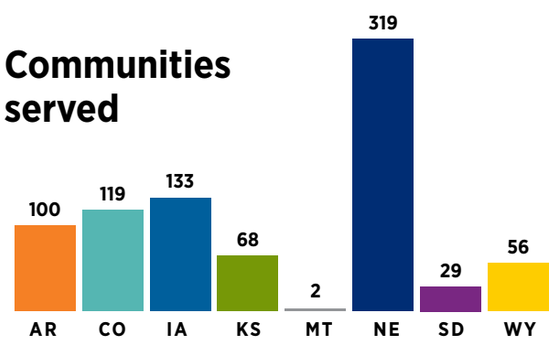


- **COLORADO** *100,907 customers*
- **SOUTH DAKOTA** *76,479 customers*
- **WYOMING** *44,954 customers*

Natural gas utility customers

- **ARKANSAS** *186,216 customers*
- **COLORADO** *211,155 customers*
- **IOWA** *163,281 customers*
- **KANSAS** *119,407 customers*
- **NEBRASKA** *302,167 customers*
- **WYOMING** *134,167 customers*

Communities served



Customers are listed by state, rather than by state utility as referenced in Black Hills Corp.'s 2023 Form 10-K.

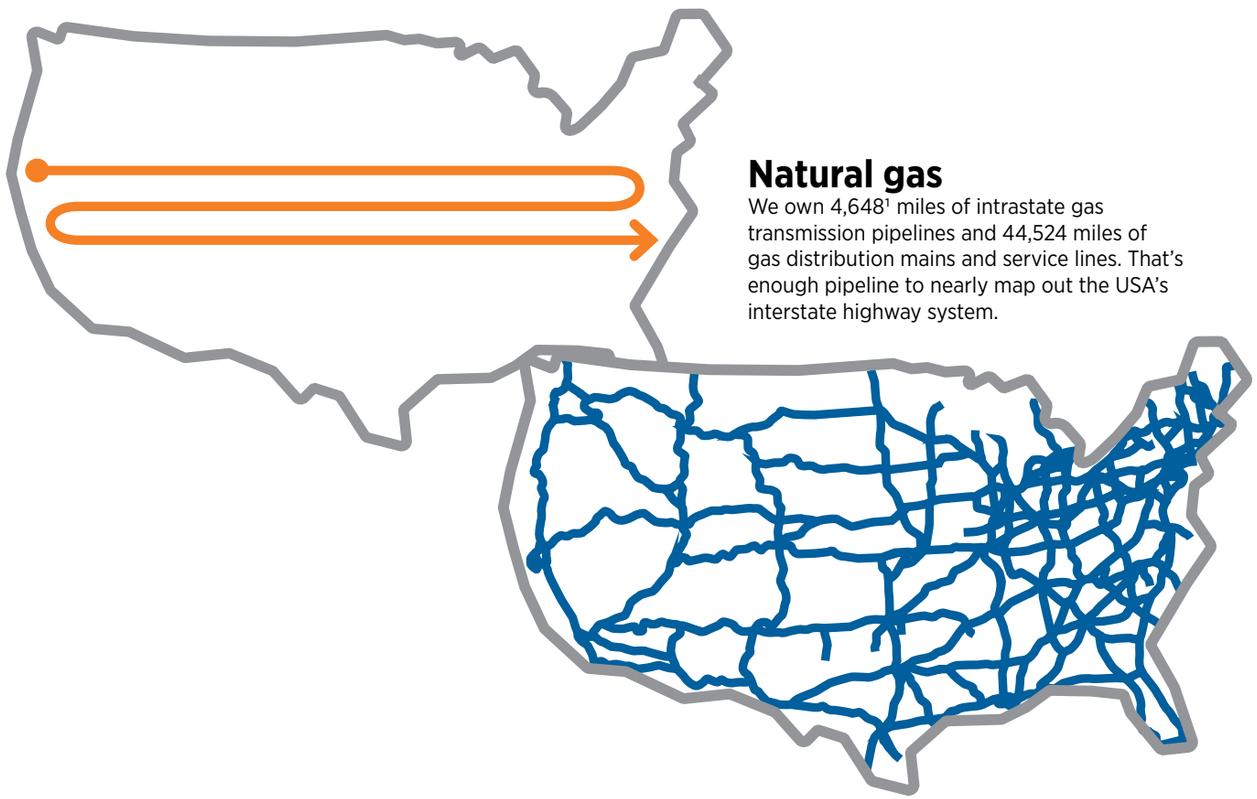
BY THE NUMBERS

Electric

We own 1,917 miles of transmission lines and 7,189 miles of distribution lines. That's enough cable to cross the country coast to coast approximately three times.

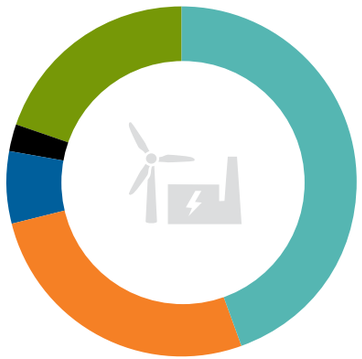
Natural gas

We own 4,648[1] miles of intrastate gas transmission pipelines and 44,524 miles of gas distribution mains and service lines. That's enough pipeline to nearly map out the USA's interstate highway system.



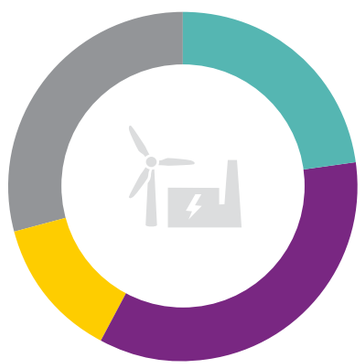
USA interstate highway system.

Total owned generation capacity



- **WIND** *202 MW • 15%*
- **NATURAL GAS** *660 MW • 47%*
- **NATURAL GAS/OIL** *100 MW • 7%*
- **OIL** *38 MW • 3%*
- **COAL** *395 MW • 28%*

Electric utilities generation capacity



- **COLORADO ELECTRIC** *343 MW • 25%*
- **SOUTH DAKOTA ELECTRIC** *511 MW • 37%*
- **WYOMING ELECTRIC** *197 MW • 14%*
- **INTEGRATED GENERATION[2] CAPACITY** *343 MW • 25%*

1. Reflects updated 2023 intrastate gas transmission pipeline mileage as reported to the Pipeline and Hazardous Materials Safety Administration.

2. Power generation and mining businesses are vertically integrated within our Electric Utilities segment.

ENVIRONMENTAL STEWARDSHIP

We are committed to creating a cleaner energy future that builds upon our responsibility to provide the safe, reliable and cost-effective energy that improves our customers' lives.

Black Hills Energy is directly or indirectly impacting progress towards the following UN SDG goals:

ELECTRIC EMISSIONS
↓ **40%** by 2030
↓ **70%** by 2040

NATURAL GAS EMISSIONS
↓ **Net Zero** by 2035

Electric emissions reduction target[1]

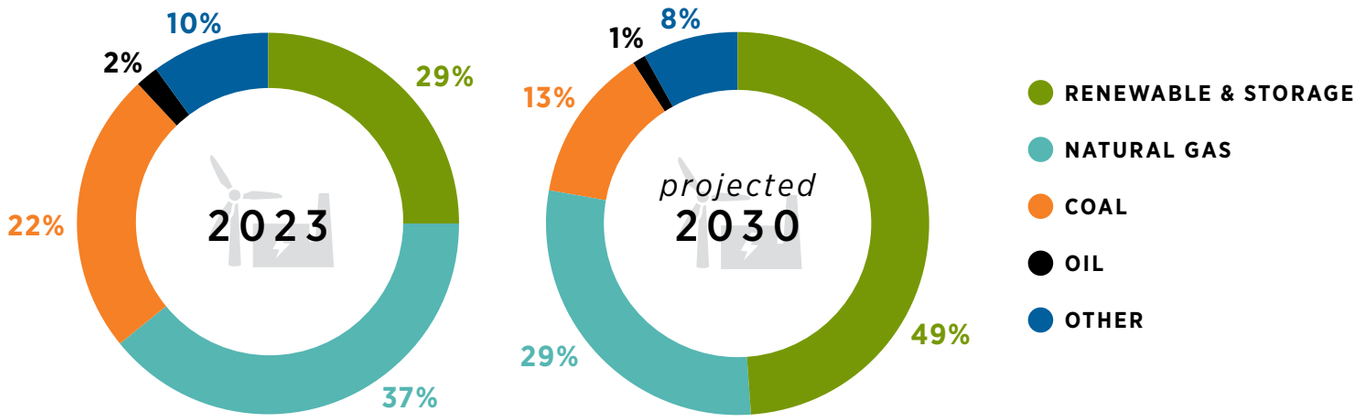
We have continued to achieve progress toward our goal to reduce electric utility emission intensity 40% by 2030 and 70% by 2040, already reducing emissions by nearly one third since 2005. We'll continue our strategy of investing in operational improvements, renewable energy and new technologies to further reduce our environmental impact for a responsible energy transition. Our first large scale solar power purchase agreement (PPA), Fall River Solar, was brought online in 2023, which will drive further emission intensity reductions associated with the energy we serve to our customers. Our owned and purchased power capacity from renewable energy and storage will account for nearly half of our capacity resources by 2030.

Natural gas emission reduction target[2]

We have committed to achieving net zero emissions for our natural gas distribution system by 2035. We've made significant progress, reducing reported emissions 27% since 2022, and are excited to provide updates on our key strategies to achieve this goal.

1. *Electric: Based on carbon intensity compared to 2005 levels for our electric utilities, including owned generation (Scope 1) and purchased power (Scope 3).*
2. *Natural gas: Based on Natural Gas Sustainability Initiative (NGSI) sources of methane emissions from our natural gas distribution system (Scope 1).*

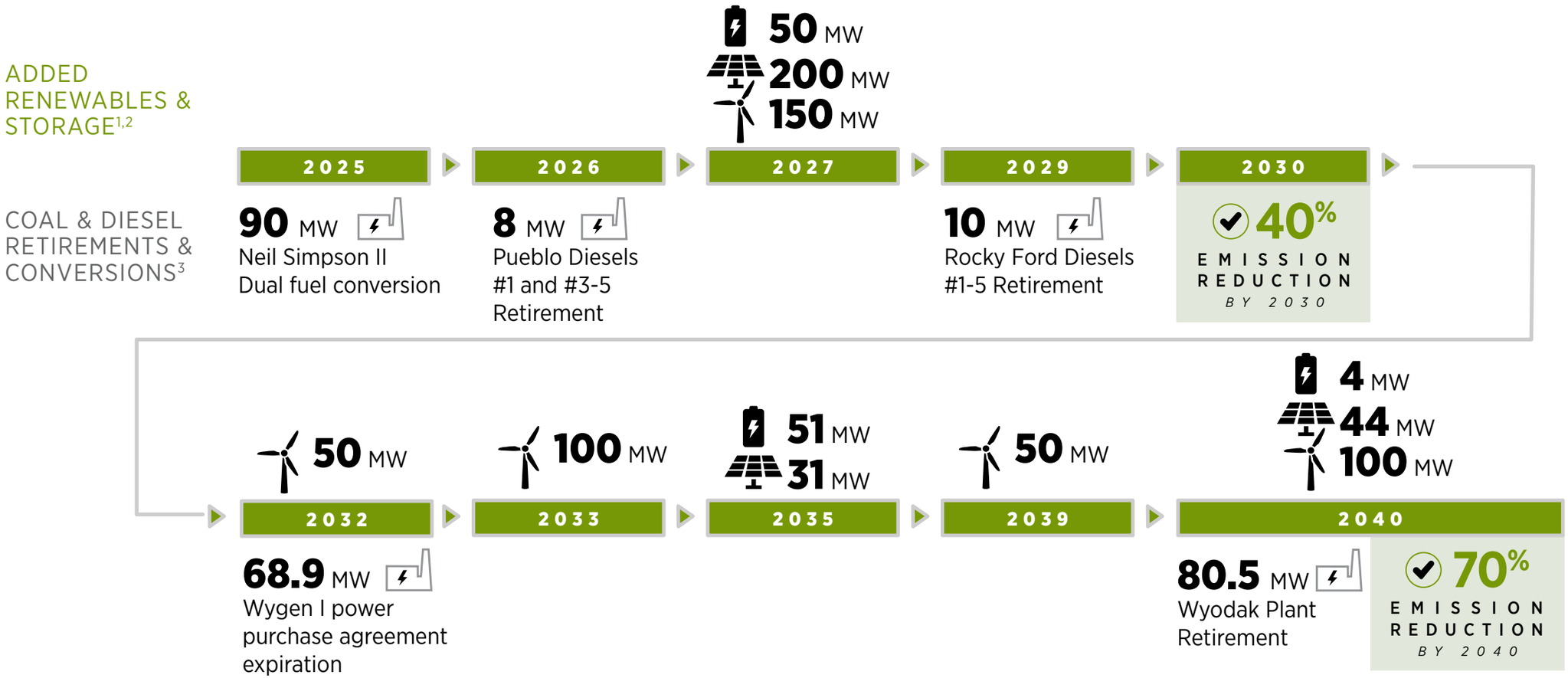
Owned and purchased energy capacity



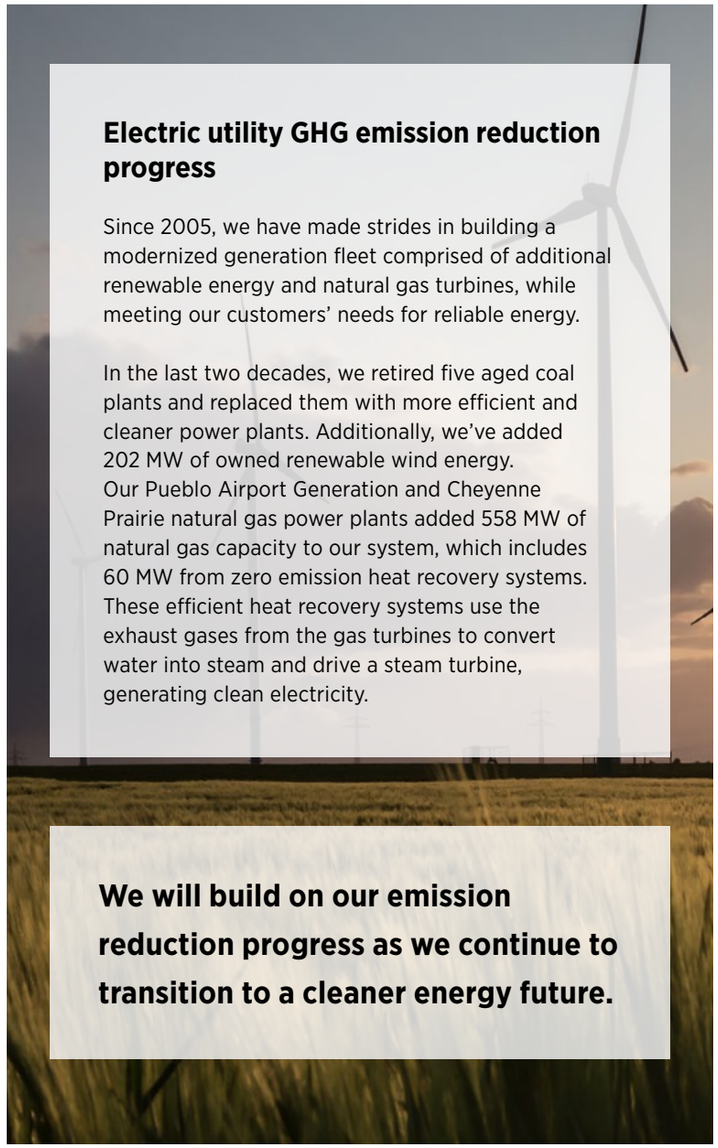
- *"Other" is fossil fuel generation from mixed resource power purchase agreements and dual fuel generation units. For 2030, this includes Neil Simpson II coal plant which will be converted to include natural gas as a dual fuel source.*
- *"Renewable and storage" includes wind, solar and storage resources.*
- *Information obtained from our resource plans regarding added renewable resources and coal and diesel generation retirements and modifications is subject to change based on future resource plan filings and project construction timelines.*
- *Intercompany power purchased agreements have been excluded from the purchased energy capacity, to avoid double counting with owned generation capacity.*

PATHWAY TO A CLEANER ENERGY FUTURE: ELECTRIC UTILITIES

We're transitioning to a cleaner energy future through the addition of low or zero-carbon generation sources and fossil fuel plant retirements or conversions. Our preferred resource plan in Colorado proposes to add 400 MW of renewable energy and battery storage by 2030. We will be positioned to achieve our greenhouse gas (GHG) reduction goals, without reliance on future technologies, through the conversion of Neil Simpson II coal plant to include natural gas as a dual fuel unit, conversion or retirement of our remaining coal and diesel power plants and the addition of renewable energy resources and storage.



1. *Added renewable capacities as filed in resource plans, existing resource's capacity align with our 10K Annual Report.*
2. *Timeline of new renewable resource and coal and diesel generation retirements and modifications as indicated in our preferred resource plans. This is subject to change based on future resource plan filings and project construction timelines.*
3. *Assumes coal plants are converted or retired at the end of engineered lives. Anticipated retirement or conversion of coal plants is subject to change based on costs and feasibility of other alternatives.*



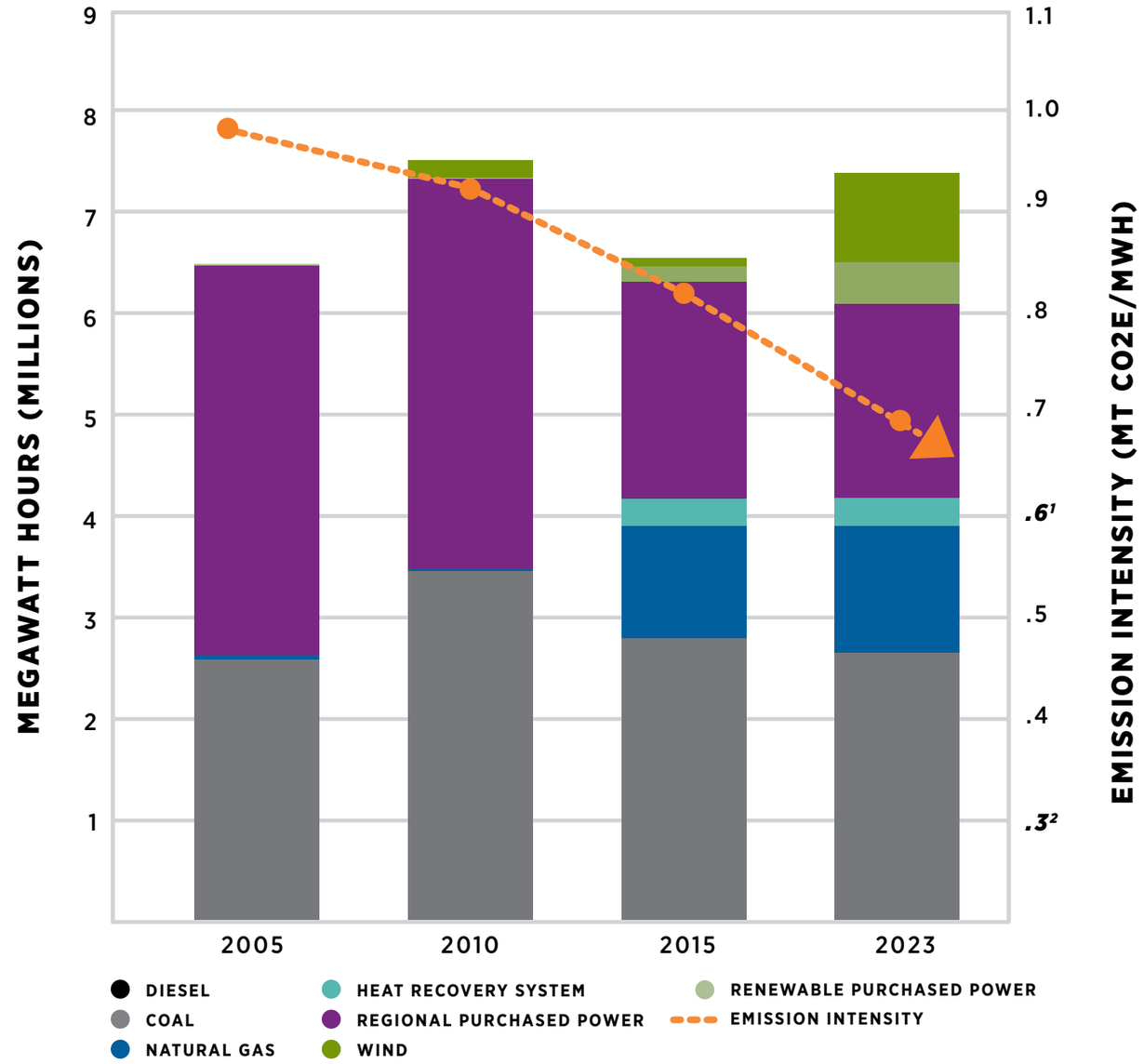
Electric utility GHG emission reduction progress

Since 2005, we have made strides in building a modernized generation fleet comprised of additional renewable energy and natural gas turbines, while meeting our customers' needs for reliable energy.

In the last two decades, we retired five aged coal plants and replaced them with more efficient and cleaner power plants. Additionally, we've added 202 MW of owned renewable wind energy. Our Pueblo Airport Generation and Cheyenne Prairie natural gas power plants added 558 MW of natural gas capacity to our system, which includes 60 MW from zero emission heat recovery systems. These efficient heat recovery systems use the exhaust gases from the gas turbines to convert water into steam and drive a steam turbine, generating clean electricity.

We will build on our emission reduction progress as we continue to transition to a cleaner energy future.

ELECTRIC UTILITY GENERATION AND PURCHASED POWER OVER TIME



1. 2030 intensity target
2. 2040 intensity target

ELECTRIC UTILITY RENEWABLE ENERGY

A key strategy to achieving our GHG reduction goals is to own and operate renewable energy. Over the past decade we have added 202 MW of owned and operated wind generation capacity[1] across our service territory.

In addition to company owned and operated renewable energy sources, we leverage PPAs to meet customer's needs and help achieve our GHG reduction goals. Our first large-scale solar PPA, Fall River Solar, was brought online in 2023. The energy from this 80 MW project located near Oelrichs, South Dakota, will be used to serve Black Hills Energy customers throughout western South Dakota and eastern Wyoming. Our total renewable portfolio of owned and contracted renewable energy represents 29% of our generation capacity and helps to achieve our GHG reduction goals and serve our customers' needs.

202 MW WIND OWNED & OPERATED[1]

Black Hills Energy owned renewable portfolio

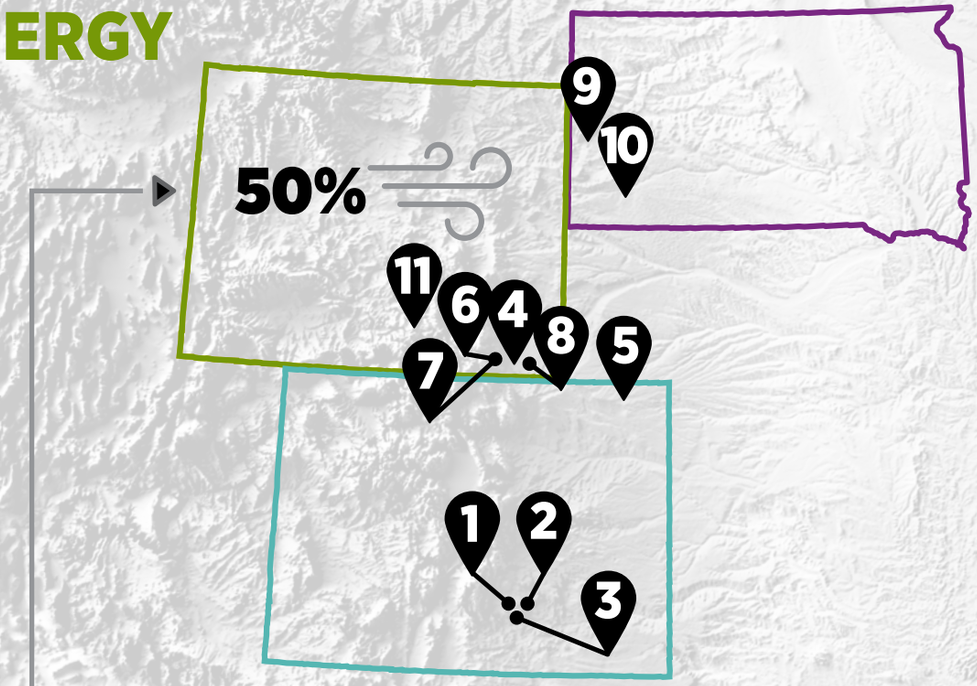
1 29 MW: Busch Ranch I This project provides an opportunity to develop a sixth renewable energy zone in Colorado as part of SB-100 legislation. This renewable energy zone enabled the development of Busch Ranch II and Peak View wind projects. This project supports Colorado's goals to reduce greenhouse gas emissions associated with retail electric sales 80% by 2030 as compared to 2005.

30%

2 59.4 MW: Busch Ranch II Completed in 2019, this wind facility powers 28,000 homes and is a milestone in achieving 30 percent renewable energy for our Colorado customers.

3 60.8 MW: Peak View Located in southern Colorado, Peak View was our corporation's first regulated electric utility rate based renewable energy investment, and serves more than 94,000 customers. The western movie, "Conagher," produced in 1991, was partially filmed at the Peak View site, utilizing a cabin adjacent to one of our wind turbines.

4 52.5 MW: Corriedale Our newest renewable facility located on King Ranch near Cheyenne, Wyoming, is owned by our South Dakota and Wyoming electric utilities, and has the highest energy produced per MW of capacity to date for our wind facilities. This facility is named after the "Corriedale" sheep, a tribute to King Ranch's role in the development of the Wyoming sheep industry. Corriedale was strategically located in southeast Wyoming to capitalize on one of the highest wind energy density concentrations in the country.



National Renewable Energy Laboratory data shows that over 50% of the best quality wind capacity in the continental U.S. is in Wyoming.

Black Hills Energy renewable power purchase agreements

5 60 MW: Platte River Power Authority Spring Canyon Wind

6 30 MW: Duke Energy Silver Sage Wind

7 12 MW: Platte River Power Authority Silver Sage Wind

8 30 MW: Duke Energy Happy Jack Wind

9 4 MW: City of Spearfish Hydro

10 80 MW: Fall River Solar

11 106 MW: Roundhouse Renewable Energy Wind[2]

1. *201.7 MW of owned and operated wind generation capacity as of Dec. 31, 2023*
2. *Wind energy and associated environmental attributes for this project are for the benefit of and consumed by CLFP customers.*

Research and technology

In addition to renewable energy, we are continually evaluating new opportunities to lower emissions. We recently completed an engineering analysis and design of several coal plant carbon capture technologies, which will be used to inform our 2024 Integrated Resource Plans for Wyoming and South Dakota.

In 2023, we received a hydrogen grant from the Wyoming Energy Authority (WEA) to evaluate the feasibility of generating hydrogen from coal at our Wyodak mine with an innovative technology, BrightLoop™ chemical looping. Along with our partners, Babcock & Wilcox and The Ohio State University, we completed extensive testing and successful demonstration of the technology. WEA awarded a second hydrogen grant in 2024 totaling $16M to construct a pilot scale BrightLoop™ hydrogen plant at our Neil Simpson Complex in Gillette, with anticipated operation in 2026.

Parallel to our hydrogen activity, we are collaborating with Membrane Technology and Research (MTR) and Carbon GeoCapture to evaluate MTR membrane technology for concentrating and sequestering coal plant exhaust greenhouse gas emissions at our Neil Simpson Complex. The proposed demonstration pilot would cool and dehydrate the coal plant exhaust gas, concentrate the CO_2 through the MTR membrane, then utilize it for coal bed methane recovery via Class II underground wells current in process of being permitted. A concept analysis will be submitted to WEA to request grant funding in 2024.

Neil Simpson Complex

CREATING ENERGY INNOVATION FOR FUTURE GENERATIONS

Finding sustainable solutions for our biggest challenges requires innovation and partnership. Black Hills Energy, the Wyoming Energy Authority and Babcock & Wilcox are working together to find innovative solutions to minimize emissions from existing resources.

Receiving one of the six Energy Matching Fund grants from the Wyoming Energy Authority awarded in 2023 allows us to continue the exploration of a new solution with Babcock & Wilcox. This project aligns with Wyoming's all-of-the-above energy strategy, which emphasizes a diverse energy portfolio for a reliable, resilient and cleaner energy future.

The grant funds the exploration of innovative technology to convert coal from our Wyodak mine, in Gillette, Wyoming, into clean-burning hydrogen, capturing emissions and leading us toward our renewable energy goals. This work will serve as a foundation for thinking in new ways of expanded hydrogen production while creating growth opportunities for one of Wyoming's oldest and most legendary resources.

"Black Hills Energy is proud to continue to be a part of Wyoming's strategy," said Mark Lux, Vice President of Power Delivery for Black Hills Energy. "Support of innovation from the State of Wyoming and Wyoming Energy Authority sets the tone for an exciting energy future for the state."

This level of innovation shows how Wyoming continues to be a leader in the energy industry. This project plans to work with the state's vital natural resources and communities to create sustainable strategies.

"This coal/hydrogen project is exactly the reason Black Hills Energy will continue to be at the forefront of ways to provide carbon neutral energy into the future. A future that continues to use our natural resources that provides jobs and services to Wyoming residents."

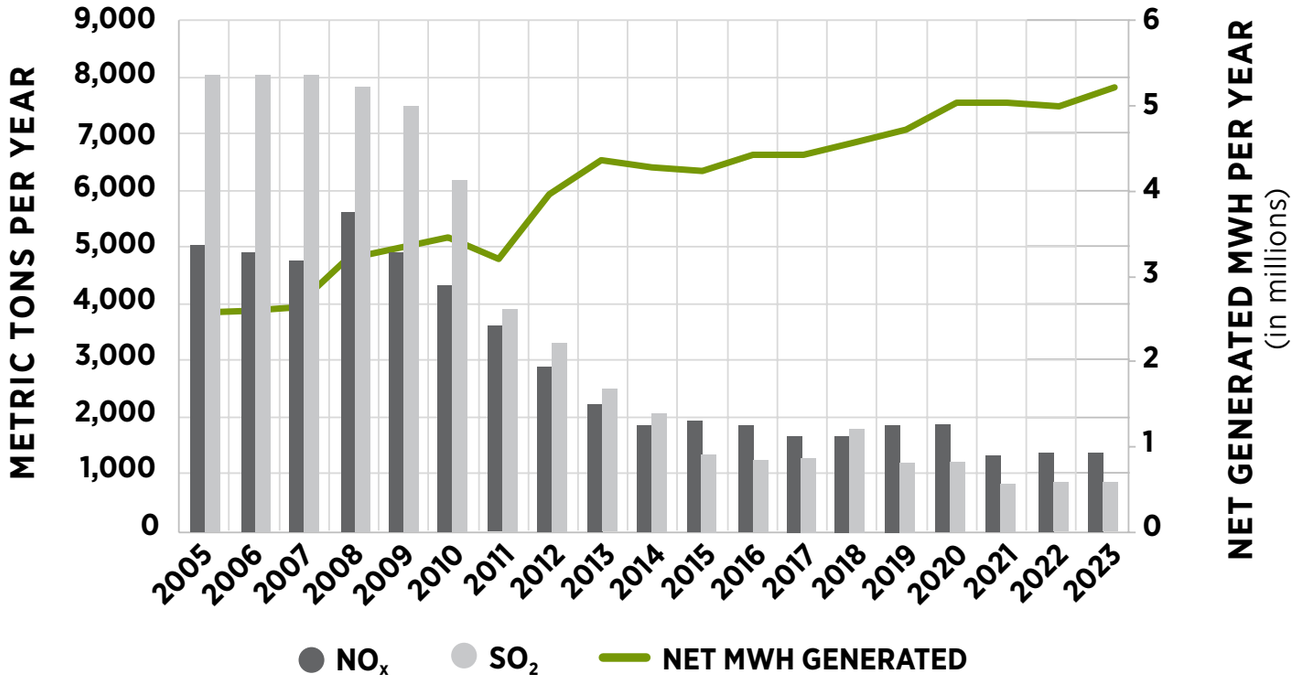
— Campbell Co., Wyoming, Office of Transformation

Coal to hydrogen project presentation

SPOTLIGHT

NO_x AND SO_2 EMISSIONS

(Generation based on % ownership)



Electric NO_x and SO_2 emission reductions

We've more than doubled the generating capacity of our system over the last two decades, while reducing nitrogen oxide and sulfur dioxide emissions by nearly 80% through the installation of advanced pollution control equipment and plant retirements.

Coal mining and operations

We own and operate a small, single mine-mouth coal operation used to supply the adjacent Neil Simpson Complex and Wyodak Plant with low-cost, reliable fuel. As the mine's coal supply is used to serve our power generation, we have no current plans to expand our mining operations and anticipate the mine's operations and production will follow coal plant demands as outlined in our Integrated Resource Plan. Our approximate percent revenue from coal in 2023 was 7.5%[1].

1. Updated percent revenue from coal excludes the Colstrip power purchased agreement, which is supplied with system mix energy. The agreement expired Dec. 31, 2023. This is an estimated metric and subject to change.

ELECTRIC VEHICLE PROGRAM

Ready EV

Our Ready EV Program continues to evolve as we enter the fifth year of providing rebates and incentives to further the adoption of electric vehicles throughout our electric service territory, continues to evolve.

In May of 2023, we filed our second Transportation Electrification Plan (TEP) for plan years 2024-2026 with the Colorado Public Utilities Commission. This plan incorporates customer feedback and industry changes, with the goal of increasing program adoption, simplifying rebate and incentive processes, and minimizing cost impacts to customers. In addition to continuing our existing programs, new pilot programs for fleet customers, low-income multifamily housing properties, eBikes, and an electric vehicle telematics charging program for residential customers will be implemented.

We continue to support our customers' transition to electrified transportation in South Dakota, Wyoming and Colorado by providing rebates for residential and commercial charging.

blackhillsenergy.com/EV

FUELING THE FUTURE: NATURAL GAS SUSTAINABILITY

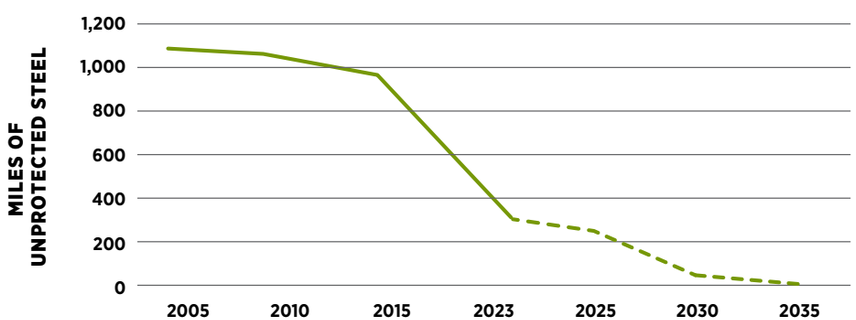
Natural gas is a critical source of energy and it will play a vital role in the energy transition, reducing our country's GHG emissions. Our natural gas utilities serve more than 1.1 million customers in six states. We operate a gas system above industry standards, investing in quality materials with low emission rates. Cast iron pipe has not been present in our system since 2014, and 99% of our infrastructure is comprised of protected steel or plastic. These investments, with a focus on system integrity, damage prevention and measurement improvement, have positioned us to achieve our net zero emissions target for our natural gas distribution system by 2035.

Highlights:

- Reduced reported natural gas distribution system emissions by 27% since 2022 from unprotected steel pipeline replacements, reductions in transfer station leaks, and data integrity improvements, making significant progress towards our 2035 net zero target.
- Filed our Colorado Clean Energy Plan, focused on reducing emissions from the natural gas distribution system and customer combustion of natural gas. Our proposed plan includes advanced monitoring and leak detection, expanded energy efficiency programs, renewable natural gas and hydrogen blending.
- Expanded our renewable natural gas (RNG) presence, adding our first RNG dairy interconnection, ramping up our recently established business, Black Hills Energy Renewable Resources (BHERR), and offering Green Forward, our voluntary RNG and carbon offset program in additional markets.

We've committed to replacing all unprotected steel pipe with lower emitting materials by 2035 as part of our net zero target.

UNPROTECTED STEEL PIPE REPLACEMENT EFFORTS



Includes pipeline categorized as "other" material type

OPERATE A NET ZERO EMISSIONS DISTRIBUTION SYSTEM

In 2022, we set a net zero target by 2035 for our natural gas distribution system, leveraging the company's focus on safety and system integrity, while advancing current strategies to include expanded damage prevention and advanced leak detection. Our comprehensive strategic timeline outlines the three implementation phases used to achieve this target.

CONTINUE BEST MANAGEMENT PRACTICES → **DEEP SYSTEM REDUCTION** → **ACHIEVE NET ZERO EMISSIONS**

Pipeline replacement: We're continuing to replace all remaining unprotected steel pipe with lower emitting materials, including plastic and protected steel. Our Integrity Plans detail the timeline and priority to **complete unprotected steel pipeline replacements by 2035**.

Expanded leak detection: By collecting detailed emission data from our system, we can identify new opportunities for reductions. In addition to our regular system-wide leak surveying, we conduct additional leak surveys of our aboveground natural gas equipment to help determine fugitive emissions from our system. We will continue to expand these surveys, both by geographic location and rotational frequency, positioning us to address leaks quickly.

Damage prevention: Our corporate goal to reduce third-party line hits to 1.5 (or below) hits per 1,000 excavations (HPT) will be achieved through the expansion of excavation site visits, predictive analytics with risk modeling to identify high-risk locations, and a continued focus on employee, customer and system safety.

Furthering damage prevention: By targeting best in class for third-party damage line hits, we would further reduce system gas releases.

Pursue advanced monitoring and leak detection (AMLD): Systems can detect low concentrations of natural gas leaks and be paired with aerial mapping abilities to pinpoint leak locations. The ability to survey large portions of a system quickly and precisely allows natural gas operators to prioritize repairs based on magnitude, analyze trends across the system, and continue to improve operational safety and reliability.

Integrate low carbon fuels: We will continue to advance low carbon fuels such as renewable natural gas by expanding RNG blending on our system and obtaining the certifications for the emission displacement.

Utilize carbon offset credits: Quantifiable and certified offsets can be used to displace a balance of emissions from sources such as renewable energy development, landfill methane avoidance and destruction, energy efficiency, and improved forestry management.

OUR PATHWAY TO NET ZERO

Leveraging our focus on safety and system integrity, and integrating advancing technologies and low carbon fuels

1. Reported reductions are primarily a result of data integrity improvements, as well as emission reductions from unprotected steel pipeline replacements and transfer station leak surveys.
2. Reported emissions and projected reductions are based on the 2021 NGSI Reporting Template and are subject to change as a result of methodology changes, emission factor updates, inclusion of system measured data, or other factors.

ADVANCE LOWER CARBON FUELS

Renewable natural gas

RNG is a natural gas alternative derived from renewable sources. As organic waste breaks down, it emits methane, or biogas, which can be captured, cleaned, and used in place of traditional natural gas, preventing the biogas from otherwise being emitted into the atmosphere. RNG is produced from a variety of sources, including municipal solid waste landfills, digesters at wastewater treatment plants, livestock farms, food production facilities and organic waste management operations.

We recently established a new business unit, BHERR. This new business unit helps drive company growth by investing capital into infrastructure that provides a pathway for RNG to get to market. Our experience in RNG includes utility ownership and operation of RNG interconnections, with 10 interconnections in service as of June 2024. Most of these projects are in agriculturally rich areas of our service territories, with the last project connecting to a wastewater treatment facility in Nebraska. These endeavors are a developing part of our business and complimentary to our continued investment in the future of natural gas.

In 2023, BHERR prepared to acquire a RNG production site connected to a landfill in Dubuque, Iowa, and successfully closed on the deal in early 2024. This acquisition marked our first entry into the upstream production side of the RNG value chain. The project benefits from selling renewable attributes through fixed price offtake agreements and aligns with our overall sustainability strategy.

We see great potential to generate RNG throughout our vast service area. For example, the RNG produced from the 10 projects that currently interconnect into our system produce enough pipeline quality RNG to fuel almost 33,000 homes a year.

For more information on our RNG projects, visit **blackhillsenergy.com/RNG**.

EMERGING TECHNOLOGY AND INDUSTRY RESEARCH

Research and technology

Energy efficiency and emerging technologies have the potential to significantly reduce GHG greenhouse gas emissions from natural gas transport and combustion. We're currently supporting project Veritas through our membership with ONE Future. Veritas, a GTI Energy Differentiated Gas Measurement and Verification Initiative, is a methane emission measurement and verification initiative lead by GTI Energy.

The Veritas technical protocols, released in 2023, provide companies and countries with methane emissions reduction targets with a consistent approach to measuring and verifying methane emissions — enabling a credible, consistent, verifiable and transparent methodology.

Energy Capital Ventures

We are a strategic limited partner in Energy Capital Ventures, an early-stage venture fund focusing on the resilience and the digital transformation of the natural gas industry. Energy Capital Ventures brings together the technology of the startup ecosystem with the scale of the natural gas industry and champions innovation in Green Molecules™. By investing in category-defining leaders, Energy Capital Ventures brings the latest innovations and technological advancement to future-proof the natural gas industry.

ONE Future

We are an active member of the ONE Future Coalition, a group of over 50 natural gas companies working together to voluntarily reduce methane emissions across the natural gas value chain to 1% (or less) by 2025. The coalition is comprised of some of the largest natural gas production, gathering and boosting, processing, transmission and storage, and distribution companies in the U.S., representing over 40% of the U.S. natural gas value chain. Black Hills Energy joined ONE Future in 2021 and as a member, reports on annual methane results within the distribution sector, holds a seat on the board of directors and actively participates in the technical workgroup focused on methane reduction strategies.

Through the efforts of coalition members, ONE Future has surpassed its one percent goal in each of the five years that it has reported its methane intensity. The 2023 Methane Intensity Report registered an intensity number of 0.421%, far surpassing its 1% target and decreasing overall methane intensity 10% year over year. These results demonstrate that natural gas is a long-term sustainable fuel in a net zero future.

HELPING CUSTOMERS REDUCE THEIR CARBON FOOTPRINT

Green Forward, Voluntary RNG and Carbon Offset Program

We offer a voluntary renewable natural gas and carbon offset program, called Green Forward, for all eligible residential and business natural gas customers. The program is an easy, cost-effective and flexible way for participants to address up to 100% or more emissions associated with their natural gas use. The program is designed as a comprehensive four-year pilot program running through 2026.

The Green Forward program provides eligible customers the opportunity to purchase renewable natural gas certificates from projects that support the production of renewable fuel from projects such as landfills, farms, and wastewater treatment plants, as well as carbon offsets from projects that reduce or prevent the release of greenhouse gases such as forestry management, grassland and wetlands preservation.

In 2023, the introductory year of the pilot program, over 200 customers enrolled in Green Forward and addressed the carbon emissions from approximately 45,500 therms of usage. That's the amount of natural gas needed to power 679 homes for a month, based on the average residential usage of 67 therms per month.

The program expects to continue to attract enrollments and address customer carbon footprints as we expand marketing efforts throughout our gas service territory, educating customers and community stakeholders about the ease, cost-effectiveness, and flexibility of voluntary participation in Green Forward.

Green Forward is open to renters, homeowners and most businesses, and requires no contracts, installation or equipment. We are committed to offering customers solutions that make a difference for the environment, and we do not make a profit from this voluntary program.

Learn more at **blackhillsenergy.com/greenforward**.

JOIN

Enroll at the level that's right for you, starting at $5 per month per "block." Each $5 block addresses approximately 25-37% (varies by state) of the average household's emissions from natural gas use, and you can purchase as many blocks as you like.

SUPPORT

The money you pay each month is used to purchase carbon offsets from projects that reduce or prevent the release of greenhouse gases such as forestry management, grassland and wetland preservation, as well as renewable natural gas certificates from projects such as landfills, farms and wastewater treatment plants.

IMPACT

With your participation, each month you address a percentage of the carbon footprint from your natural gas use. We'll send you an annual impact report detailing your positive impact.

Electric and gas energy efficiency

We offer our customers a wide variety of programs and rebates to help them conserve energy and lower their energy bills. Black Hills Energy provided over $8 million in energy efficiency rebates in 2023 to residential and business customers, leading to annual energy savings of over 20 million kilowatt-hours of electricity and over 344,000 dekatherms of natural gas — enough energy to power 1,632 homes with electricity and about 359 homes with natural gas for one year.[1]

We continue to explore ways to increase the adoption of advanced appliances, such as high-efficiency natural gas furnaces and combined fuel heat pumps.

For more on our energy efficiency efforts, visit **blackhillsenergy.com/efficiency-and-savings**.

1. Assumes annual electricity usage of 12,154 KWh (1,012 kWh per month) and annual natural gas usage of 60 Dth (5.01 Dth per month).

A BRIGHT FUTURE IN ENERGY EFFICIENCY

Through partnerships with local schools, we introduce students to energy efficiency tips, tools, resources and programs and help them grow into future energy savers. By offering hands-on learning opportunities and energy efficiency product kits, we encourage students to develop energy saving habits in fun and engaging ways. In addition to energy education, we offer a variety of programs and rebates that empower our customers — including schools — to reduce their energy usage.

Investing in Julesburg

The Julesburg School District in Colorado has over 1,000 future energy savers. Through collaboration we were proud to award them a significant rebate. The funds were used to purchase energy-efficient boilers, on demand hot water rooftop units and ENERGY STAR certified equipment for their lunchroom.

This investment not only helps the Julesburg School District reduce its environmental footprint, but also saves valuable resources. These savings will directly impact their ability to continue offering essential services like year-round breakfast and lunch programs for their students.

Empowering Pea Ridge

Our partnership with Pea Ridge School District in Arkansas provided a rebate to support the installation of 61 energy-efficient furnaces in both their primary and intermediate school buildings. This upgrade will not only enhance the learning environment, but also contribute to significant cost savings that can be directed toward other valuable educational resources.

Putting Pueblo on a path to a sustainable future

Working directly with Pueblo School District 60's team in Colorado, together we identified and implemented sustainable energy conservation opportunities for two new high schools and three new elementary schools. This includes exploring energy-saving alternatives for windows, lighting and mechanical systems.

The projected annual savings are substantial, exceeding $250,000 in energy costs while also reducing electrical demand, consumption and natural gas usage. These savings will allow the school district to continue to focus on providing the best possible education and environment for students for years to come.

By supporting students and schools, we're not just saving energy but empowering the next generation. Together, we're helping bring a brighter future for all.

SPOTLIGHT

Demand Side Management (DSM)/energy efficiency program impact by year (in thousands)[2]

Year	Spending ($)	Rebates paid ($)	Electricity savings (kWh)	Natural gas savings (Dth)
2023	**20,894**	10,641	19,841	346
2022	**19,461**	8,627	16,776	368
2021	**19,030**	10,290	16,267	380
2020	**20,260**	12,372	29,735	324

2. DSM/Energy Efficiency programs are funded by a surcharge on customers' bills depending on the conditions set forth by state public utilities commissions.

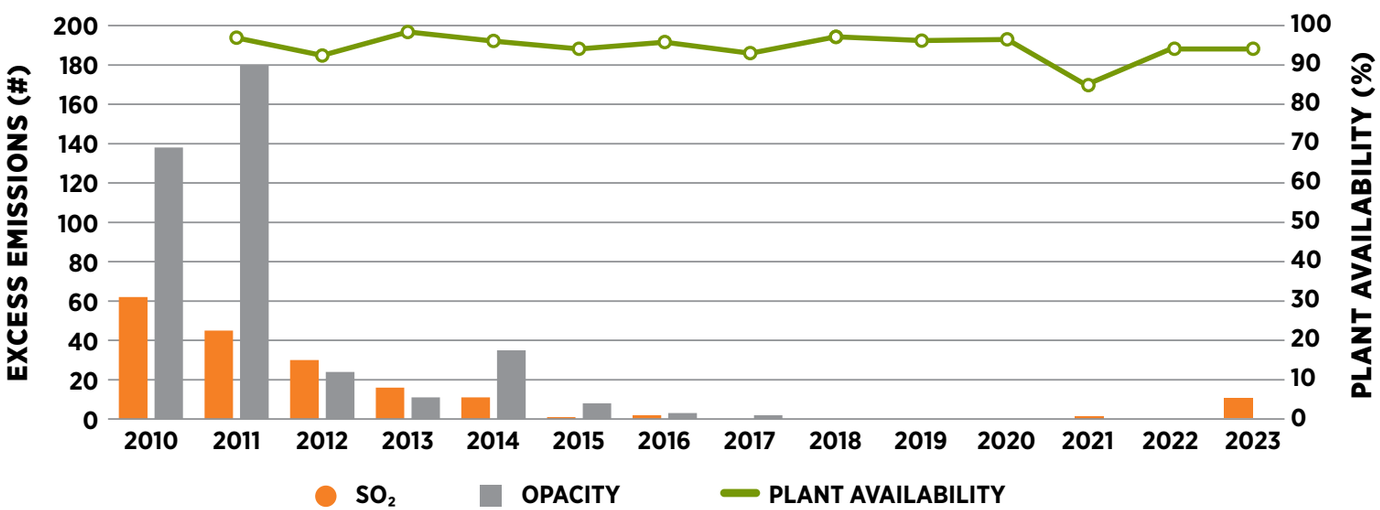
RESOURCE MANAGEMENT

Air quality

Over the last decade, we took an innovative "emissions control logic" program from concept to reality, reducing short-term air quality emission exceedances at our power plants. The emissions control logic, coupled with improved maintenance, has virtually eliminated air exceedances while continuing to sustain high plant availability at each of our units.

Using continuous emissions monitoring data, the software shuts down the operating electric generating units if air emissions are anticipated to exceed permitted limits, thus preventing an exceedance from occurring. Since 2015, we achieved better than 99.9% operation without an exceedance. The graph below illustrates the air quality performance of our coal-fired generating units at our Neil Simpson Complex in Wyoming since 2010. We are unaware of any other utility that has implemented this innovative technology.

NEIL SIMPSON COMPLEX
SHORT-TERM HISTORICAL EXCESS EMISSIONS



Number of times the SO_2 and opacity short-term emissions permit limits are exceeded each year.

Mine reclamation

Over the past 100 years, our mining operations have occurred in three sections and reclamation of these areas is an important part of our mining activities. We have achieved 100% reclamation on our first sections, South sections, and are on target with reclamation activities at the Peerless sections and Clovis sections. Reclamation activities in the Peerless sections include backfilling the sections with coal ash, capping with stockpiled overburden material, applying topsoil, and seeding to restore biodiversity. No ash is used as backfill material in the Clovis sections, instead, mined overburden material is directly used as backfill material and covered with topsoil and seeded.

Black Hills Energy uses 100% of its ash for backfill reclamation in the Peerless sections. This ash use and associated reclamation plan were approved by the State of Wyoming — Land Quality Division and the Office of Surface Mining Reclamation and Enforcement.

Water conservation

Much of our electric service territories are located in arid regions, making water conservation an important part of how we operate. To reduce our water consumption, we utilize air-cooled condensing technology at our coal-fired power plants. Based on U.S. Energy Information Agency data, the average conventional coal power plant uses 78 gal/kWh for operational use and cooling plant boilers. Black Hills Energy's water consumption rate at its coal-fired power plants, after implementing this technology, is 0.1 gal/kWh resulting in an annual water savings of nearly 250 billion gallons. This also provides cost benefits by not having to manage and discharge significant amounts of processed water to the environment.

We have also implemented innovative and protective water management measures at our natural gas combustion plants. Cheyenne Prairie discharges water to the local city's wastewater treatment plant, adhering to stringent water limits set in our Industrial Pretreatment Water discharge permit. Pueblo Airport Generation uses an evaporation pond to settle out water pollutants before returning the water to the natural water cycle through the atmosphere.

ENVIRONMENTAL IMPACT ASSESSMENTS

Prior to construction projects, Black Hills Energy completes an internal environmental review checklist for applicable projects to determine if environmental permitting may be necessary. If any of the pre-determined permitting thresholds are triggered, the project is reviewed for impacts to water, air, wildlife and land. Projects are viewed holistically, including the long-term environmental impacts.

Water

Black Hills Energy encounters many waterways with natural gas pipeline and electric power line construction projects, some of which are federally regulated as Waters of the United States (WOTUS). Projects are typically designed to either be bored under or spanned across waterways to minimize impacts to aquatic ecosystems and to reduce permitting requirements.

If regulated water resources are impacted, coordination with Army Corps of Engineers and other state or local permitting agencies is often required. Additionally, all projects that disturb over one acre of land (or less in some local jurisdictions) require construction stormwater permitting to ensure the project is revegetated post-construction.

Wildlife

Our environmental professionals work closely with U.S. Fish and Wildlife and state wildlife agencies to ensure our construction projects have minimal impact to local and protected species, which ensures we comply with the Migratory Bird Treaty Act and the Endangered Species Act, as well as many other regulations. Prior to construction, we review project areas to identify which species may have suitable habitat in the area during the time of construction and organize surveys to determine the presence or absence of wildlife. Results are used in project planning to minimize impact to protected species and can result in timing or spatial buffers during construction.

Land

Projects on public lands may be subject to significant permitting requirements. Projects involving federal lands typically require additional permitting to comply with the National Environmental Policy Act, which can include a requirement to complete an Environmental Assessment or Environmental Impact Statement. We also conduct archaeological and paleontological surveys prior to construction on public lands to protect areas of significance. We work closely with federal land management agencies to ensure all permitting and approvals are acquired prior to starting construction.

Avian protection

We dedicate resources to the protection of migratory, threatened and endangered birds. For over 15 years, we have deployed an avian protection plan and conduct ongoing annual training for employees. All new power lines are built to raptor-safe standards per the Avian Power Line Interaction Committee guidance and proactive retrofits are part of our ongoing maintenance programs.

We build man-made nests to replace nests established on our power line poles and work with local non-profits to provide raptor rehabilitation services when injured birds are discovered. We have developed avian protection plans for all applicable company operations groups to provide guidance to mitigate the impact our equipment has on protected bird species.

We have developed an electronic reporting and tracking system for negative avian interactions, which will help us to identify areas of the system to focus proactive retrofitting of our power poles. By using geographic information system mapping we can identify areas of our system where most interactions with birds occur. All negative avian interactions on our system with protected birds are reported to the U.S. Fish and Wildlife Service.

Learn more by reading our **Avian Protection Plan.**

Waste and recycling

Most Black Hills Energy facilities are designated by the EPA as "Very Small Quantity Generator" status. To achieve this status, facilities must generate no more than 220 pounds of hazardous waste per month and must implement rigorous recycling programs.

Recycling measures are implemented across our corporate footprint which includes designated universal waste collection sites to collect common hazardous waste including batteries, pesticides, mercury-containing equipment and lamps for recycling. Additionally, scrap metal is recovered at facilities and reintroduced as a raw material in the production of new goods through local vendors. Used oil from electrical service activities and equipment maintenance is commonly accumulated in drums and tanks and recycled through an approved vendor. All electronic waste is reused or recycled with no materials going to landfills.

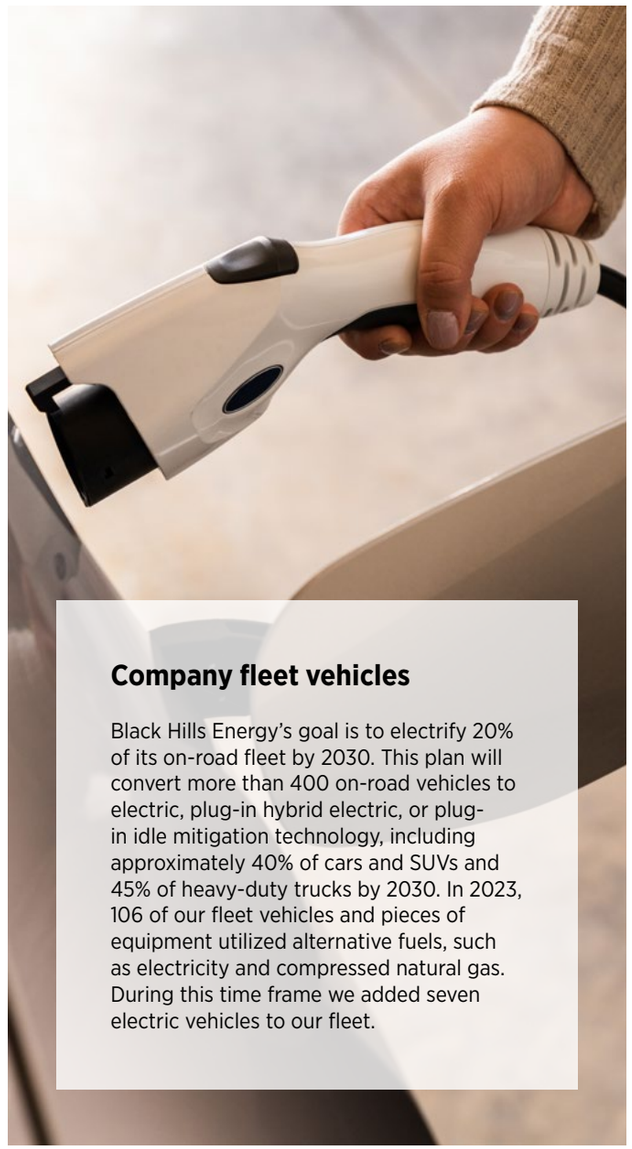
2023 waste and recycling data

Waste categories disposed or recycled	lbs
Hazardous waste	128,192
Universal waste-mercury bulbs	1,544
Universal waste-mercury devices	47
Universal waste-batteries	16,374
Universal waste-electronics	31,494
Universal waste-paint cans	1,926
Used oil	186,203
Oil filters	14,189
Antifreeze	52,864
Oil-water	54,637
Metal recycling	1,263,905
Special waste	594,869
Other waste	57,330
Parts washer	4,170
Waste ash	253,128,120

Summary	lbs
Hazardous waste disposed	128,192
Hazardous waste recycled	51,384
Non-hazardous waste disposed	71,816
Non-hazardous waste recycled	255,284,469
Total	**255,535,862**

Company facility energy efficiency

In addition to helping our customers save energy and reduce emissions, we also implement energy efficiency and sustainability into the design of our facilities. Horizon Point, our corporate headquarters building in Rapid City, South Dakota, was designed and constructed following LEED Gold standards and holds an EPA ENERGY STAR® Certification. To be certified as an ENERGY STAR building, it must meet strict energy performance standards set by the EPA. Once in operation, ENERGY STAR certified buildings use, on average, 35% less energy than similar buildings nationwide, resulting in reduced GHG emissions. When constructing new operations facilities, we use modern construction methods which incorporate high-efficiency building envelopes and systems that fully comply with each state's model energy code requirements.



Company fleet vehicles

Black Hills Energy's goal is to electrify 20% of its on-road fleet by 2030. This plan will convert more than 400 on-road vehicles to electric, plug-in hybrid electric, or plug-in idle mitigation technology, including approximately 40% of cars and SUVs and 45% of heavy-duty trucks by 2030. In 2023, 106 of our fleet vehicles and pieces of equipment utilized alternative fuels, such as electricity and compressed natural gas. During this time frame we added seven electric vehicles to our fleet.

SOCIAL IMPACT

We consider it a privilege to serve as an integral partner to our customers and communities, delivering safe, reliable and cost-effective energy to 1.34 million businesses and families across our expansive eight-state service territory. Our almost 2,900 employees work as one team, devoted to making a positive impact on the lives of our customers and in the communities we call home.

Black Hills Energy is directly or indirectly impacting progress towards the following UN SDG goals:

OUR TEAM — As of Dec. 31, 2023

Total employees **2,874**	Gender diversity *(women as a % of total employees)* **24%**
Women in executive leadership positions[1] **29%**	Military veterans **10%**
Ethnic or racial diversity *(non-white employees as a % of total)* **15%**	Represented by union **25%**
External hires gender diversity *(as a % total of external hires)* **27%**	Number of external hires **487**
External hires ethnic diversity *(as a % total of external hires)* **24%**	Turnover rate[2] **13%**
	Retirement rate **3%**

Total employees by state

State	Percent of total employees	Employee count
Arkansas	15.8%	454
Colorado	15.6%	447
Iowa	9.2%	265
Kansas	4.9%	141
Nebraska	12.9%	371
South Dakota	25.7%	740
Wyoming	14.9%	428
Other states	1.0%	28
TOTAL	**100%**	**2,874**

Gender pay equity	**$0.99**
Diversity pay equity	**$1.00**

1. Executive leadership positions are defined as positions with Vice President, Senior Vice President or Chief in their title.
2. Includes voluntary and involuntary separations; excludes internships.

DIVERSITY, EQUITY, INCLUSION AND BELONGING

We are committed to building a diverse workforce representative of the communities we serve and a culture of belonging for all. We recognize that each of our team members brings unique and valuable experiences, perspectives and talents to the organization. With our value of respect as our guiding force, we strive to actively engage all employees to foster a culture of belonging where every team member can bring the best of themselves to work and is enabled to reach their full potential while contributing to business outcomes.

Our diversity, equity and inclusion (DEI) strategy centers on three pillars to strengthen our culture of belonging for all. Our goal is to have all employees feel a sense of comfort and connection and are empowered to contribute to business results.

Metrics and measures
Utilize metrics and measures to evaluate the impacts of our DEI efforts on our workforce demographics and culture.

Structures and tools
Continuously evaluate and update our processes, policies, and systems to recruit and retain a diverse workforce.

Heads and hearts
Engage employees on both a professional and personal level to cultivate a culture of belonging.

Some of the ways we are working to build a more diverse workforce and strengthen our culture of belonging for all include:

- Building a talent strategy that attracts and retains talent representing multiple dimensions of diversity.
- Evaluating our internal systems and processes to support an equitable and inclusive experience for all people.
- Providing a variety of career development resources and tools for employees. These include tuition assistance, mentoring opportunities, book clubs and a college partnership program that allows employees to achieve college degrees at an advanced pace and/or discounted price.
- Hosting an annual diversity conference which provides opportunities for all employees to connect and focus on personal and professional development.
- Encouraging participation in employee resource groups (ERGs). Our ERGs are employee-led and encourage connection and belonging for their members while also providing education and outreach to the organization.
    - **Aspire,** a women's resource group.
    - **Analytics in Action,** a resource group for current and aspiring data and analytics professionals.
    - **New Connections,** a resource group for new employees within their first year of service.
    - **EDGE,** a resource group for racially/ethnically diverse employees.
    - **The Project Management Interest Group,** a resource group for current and aspiring project management professionals.
    - **The Veterans Engagement Team,** a resource group for military personnel and Veterans.

DIVERSITY, EQUITY AND INCLUSION GOALS

Edison Electric Institute's (EEI) member companies have joined together to align their DEI and workforce development initiatives and are taking meaningful action to:

- Promote racial justice.
- Advance DEI goals and diversify the workforce at all levels.
- Provide more equitable access to employment opportunities for underrepresented and underserved members of their communities.
- Create a workforce that is more representative and responsive to people of all backgrounds.
- Take measurable actions that address the racial and gender gaps within the industry and accelerate the ability to reach and support those suffering from systemic racism, poverty and economic disadvantages.

As an EEI member, Black Hills Energy has committed to specific actions within EEI's industry goals for diversity, equity and inclusion:

Industry goal:

Remove barriers to entry by expanding and broadening the pool of diverse candidates.

Our action:

Starting in 2022, we implemented diverse candidate slates and diverse interview panels. In 2023, we achieved diverse candidate slates for 90% of externally posted positions and we utilized diverse interview panels for 95% of internally and externally posted positions. As a result of the initiative, representation of women and racially/ethnically diverse individuals increased at all stages of the hiring process. Achieving diverse candidate slates and interview panels has become a standard hiring practice, and in 2024, we've included goals in our annual incentive plan to increase the number of diverse candidates to improve diversity in leadership positions.

Industry goal:

Eliminate biases and create a more inclusive work environment.

Our action:

- To help attract, retain and develop diverse employees, we created additional Employee Resource Groups (ERGs) that provide support and development tools for diverse employees.
- Our ERGs work to foster inclusion and belonging and provide programming (e.g., a company-sponsored development conference, mentoring circles, career development workshops, among others).
- Our Worldview Exchanges program pairs senior leaders with members of our employee resource groups to engage in a series of conversations around inclusion and belonging. Through the program, participants have an opportunity to learn about different lived experiences and discuss opportunities to strengthen our culture of belonging.

We also provide training to our people leaders through a program called Worldview Intelligence, which helps leaders better understand and effectively work with the variety of worldviews that are represented in an increasingly diverse workforce.

Industry goal:

Reassess job requirements.

Our action:

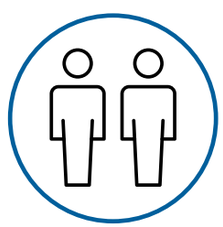
We are continuously evaluating our job descriptions to identify and remove language that may be a barrier to diverse applicants and strive to create a stronger focus on transferable skills when evaluating candidates for all jobs.

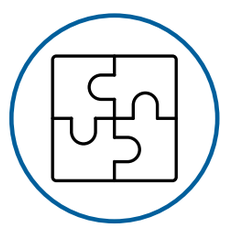
Industry goal:

Ensure that diversity, equity and inclusion are driven from the top.

Our action:

In support of our DEI efforts, our head of HR is responsible for creating and leading DEI strategy while working closely with our CEO, Senior Leadership Team and Board of Directors. The Compensation Committee of the Board of Directors has direct oversight of our DEI strategy. We also have a manager of diversity who provides dedicated direction and support in executing our "Diversity Roadmap." Our roadmap outlines various strategies, objectives and actions to guide and strengthen our diversity efforts.





WORKPLACE PRACTICES

Our respect for human rights is ingrained in our values and impacts every aspect of our company. We abide by all laws and regulations and support the principles outlined in the United Nations' Universal Declaration of Human Rights. See our **Human Rights Policy** for more information.

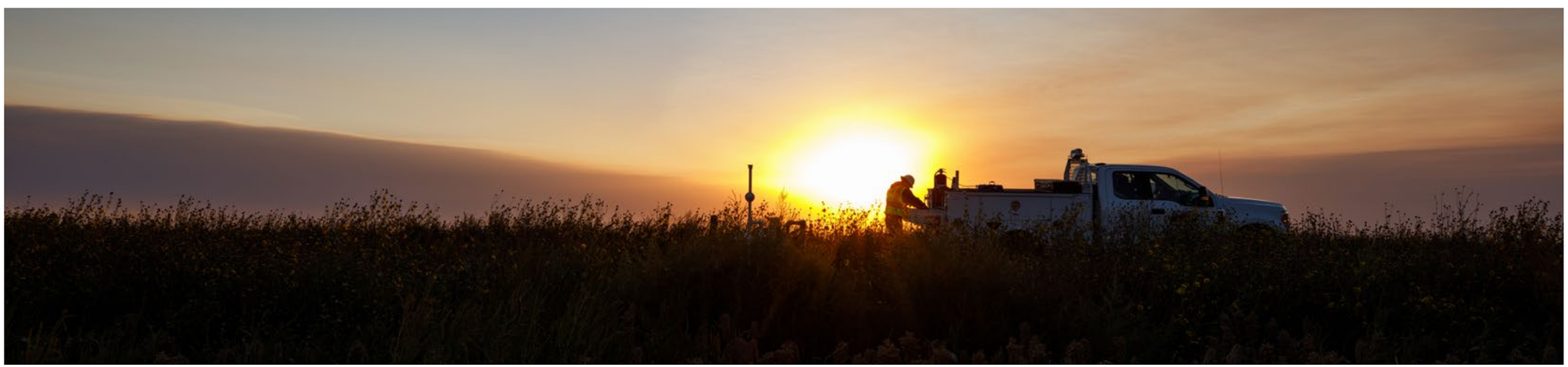
Our unique talents and voices have and will continue to contribute to our success. We know that diverse teams and cultures deliver customer and shareholder value. Accordingly, we proactively and intentionally foster an environment that respects all people without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, ancestry, creed, disability, genetic information, age, military or veteran status or any other protected class.

We are committed to a work environment that is free from all forms of harassment — including sexual harassment and bullying. Regardless of the form it may take, harassment is not acceptable and is not tolerated. This applies to all employees, applicants, vendors, contractors, clients and customers of the company. Our Harassment Prevention Policy has been in place since 2010, and violations of this policy are handled in accordance with the company's disciplinary policies and procedures up to and including termination.

Employee recognition

Employee recognition is an important part of our culture at Black Hills Energy. We value the many contributions of our employees, and intentionally recognize our employees who are passionate about *improving life with energy*. Some of the ways we recognize employees include:

- **Energ!ze**
  Through our Energ!ze program, employees have the opportunity to recognize their co-workers for their efforts and accomplishments. The online platform enables an employee to detail and share the reason for the recognition. Recognitions can also come with points that can be exchanged by the recipient for items from the online rewards catalog. Points rewards can be given peer-to-peer, and managers can give larger spot awards to recognize employees for going above and beyond.
- **Service awards**
  Our Service Awards celebrate employee service anniversaries and are provided to employees at five-year intervals beginning at five years of service. Managers receive a service award packet to use to recognize the important milestone. The presentation packet includes a congratulatory letter from our CEO, personalized acrylic service award and service anniversary gift catalog.
- **The CEO Summit Award**
  The CEO Summit Award, our top recognition program, honors employees who stand out within our Black Hills Energy family and in their communities. The award supports and reinforces Black Hills Energy's vision, mission, values and standards and promotes teamwork.



Employee engagement

We're dedicated to creating an exceptional employee experience and strengthening a culture where all individuals can thrive. As part of this commitment, we conduct quarterly employee pulse surveys to understand what our employees believe is working and where we can continuously improve. Additionally, we regularly conduct employee engagement surveys and have maintained strong scores in both safety and employee engagement, as well as employee participation rates at or exceeding 85%.

Compensation and benfits

We offer our employees a competitive and comprehensive Total Rewards package to help them meet their work and life goals. Our package includes annual incentive awards, retirement benefits, paid time off benefits, company paid life and disability benefits, and medical, dental and vision insurance. Our pay for performance strategy rewards employees based on their contributions to the company.

Training and development

We are heavily invested in the ongoing development of our employees. All full-time and part-time employees have access to a variety of training courses through our internal online training platform, which covers a wide range of topics including utility specific training, management preparation courses, safety and many more. Additionally, our employee resource groups regularly host career discussions, book clubs and other development opportunities open to all employees.

We also provide training for our management level employees including our Management Essentials Program, which is a 12-month program and equips people leaders to manage people, processes and performance. After the completion of the Management Essentials program, leaders then participate in our 12-month Leading People Program, which focuses on increasing leadership acumen along with developing greater enterprise and utility knowledge.

Beyond these internal platforms, programs and training opportunities, we also provide $5,250 each year in tuition reimbursement for qualifying continuing education.

This reimbursement program can be used at all qualifying universities. We also partner with Nebraska's Bellevue University, Colorado State University Global and the University of Arkansas Grantham, which all provide additional benefits to our employees seeking higher education. All our partner universities are geared toward non-traditional and adult learners who are working full-time and offer benefits such as flexible scheduling, financial aid and, in some cases, the recognition of work experience for credit. These partnerships make it easier for employees to obtain or complete a college degree faster and more affordably than they could on their own.

SAFETY

Employee safety and wellness

Safety is one of our company values, a top priority in all we do and deeply embedded in our company culture. This requires persistent, daily attention in everything we do. Every meeting of three or more employees begins with a safety share, a practice that contributes to keeping safety in mind. In 2023, our Occupational Safety and Health Administration (OSHA) Total Incident Case Rate (incidents per 200,000 hours worked) was 1.51. Compared to 2022, we also achieved a 31% reduction in lost workdays, and a 43% reduction in restricted work days.

Our Preventable Motor Vehicle Incident Rate (vehicle accidents per 1,000,000 miles driven) was 1.65 in 2023, a top quartile achievement among AGA utility peers. We are also leading the way in the industry by encouraging employees to report injuries within one day, achieving reporting timeliness 20% above the utility average. We are evolving our safety program by incorporating all areas of the business and focusing on High Energy. High Energy focus allows us to prioritize, evaluate, and provide corrective actions to best suit our coworkers, customers, and communities.

Employee safety training

Our safety training is delivered through in-person instructor led and online learning management system that tracks completion status and completion dates. Training occurs throughout the year, frequently driven by required regulations and assessed needs. All online safety training is available in several languages.

All safety training is provided at no cost to our employees and may be completed during working hours. We evaluate the effectiveness of our training using several methods, including:

Audits and inspections:

We perform field audits to assess the effectiveness of online training. For example, our online ladder training discusses the size and type of ladder required.

During a field audit, we look specifically at ladders to see if the ones being used are the right type and capacity, properly labeled, and under proper use. We then take the audit findings and compile and evaluate them to determine if our training is effective.

Personal and motor vehicles incidents:

To determine the cause and implement corrective action. We compare those findings to understand if our training covered the issue and assess the effectiveness of the training.

Required annual safety training for new employees:

- Decision Driving Principles Module 1: Expand Your Look Ahead Capacity
- Decision Driving Principles Module 2: Sizing Up the Whole Scene
- Decision Driving Principles Module 3: Signal Your Intentions Early
- Decision Driving Principles Module 4: Plan An Escape Route
- Decision Driving Principles Module 5: Take Decisive Action

Required annual safety training for all employees:

- Access to Employee Medical and Exposure Records
- Bloodborne Pathogen Awareness — Refresher
- Emergency Action Plan Site Specific Acknowledgment
- Fire Extinguisher/Safety Principles — Refresher
- Incident Intervention with WorkCare

Required annual safety training for field employees:

Field employees are assigned additional required training based on role. For example, an electric lineperson is required to complete the following additional safety training:

- Compressed gas safety
- Lockout and tagout guidelines
- Electric safety
- Confined spaces
- Trenching and excavation safety
- Scaffolding and ladder safety

Safety in our communities

Reducing excavation damage has been a key focus during the past several years, and together we have made great improvements. We have reduced excavation damage in our communities by nearly 20% since 2020, including a 10% reduction in 2023 alone — an incredible achievement.

Efforts have included focusing on high-risk excavations, prioritizing hard-to-locate facilities and building stronger relationships with high-risk excavators to positively encourage a safe digging culture in the communities we serve.

We continue to do better and better — the hit rate has declined consistently even as the number of locates has increased and achieving our goal of 1.5 hits per thousand in 2025 is within sight.

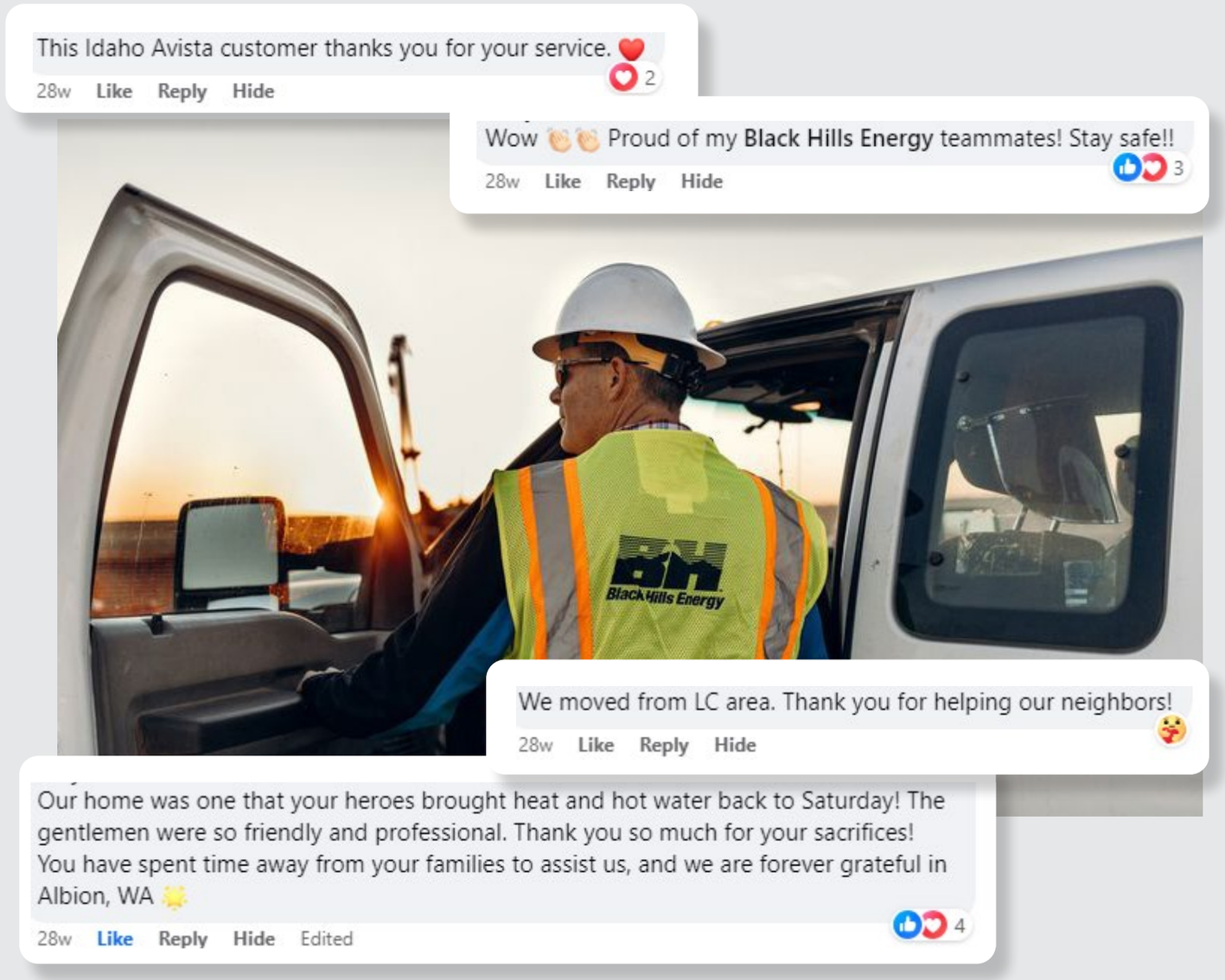
ANSWERING THE CALL

Our commitment to safety goes beyond the communities we serve. When a neighboring utility faced their largest outage during cold temperatures — our team answered the call to help. A third-party damage to a natural gas line left over 36,000 Avista utility customers in Washington without natural gas service. The scale of the outage caused a significant safety concern as winter temperatures were looming, and Avista customers faced the risk of being left without natural gas to heat their homes and businesses for over a week.

Understanding the need for safe and reliable natural gas — without hesitation — we quickly answered the call for assistance. Over forty Black Hills Energy technicians traveled more than 20 hours to join the restoration efforts. They worked alongside more than 300 other crews from eight utilities to help quickly, and safely restore service — showcasing the strong sense of community within the energy industry.

Working extended hours, Avista customers praised how quickly crews were able to physically reach each home and business to restore their service. One customer stated, “Our gas is back on; furnace is fired up and hot water is heating! The nicest guy got us fixed up. He and his partner are staying at a hotel that has no hot water, and yet they are out here for 18 hours in the wind making sure homes are up and running.”

Thanks to the combination of skill, hard work, and dedication from our team and all the volunteers, Avista customers were all back in service within a few days of the incident.



SPOTLIGHT

SAFETY

Public awareness

We are committed to safety, not only for our employees and customers, but also for our communities. Regardless of whether a home, business or school is powered by Black Hills Energy, we prioritize keeping everyone safe.

That includes educating everyone in our communities about the importance of calling or clicking 811 before digging. This messaging is important and applies to everyone, from contractors running excavation equipment, to families planting a new garden. Calling 811 at least 48 hours before breaking ground is the best way to prevent damage to underground utilities, which in turn prevents service interruptions, injuries and fatalities.

We also work hard to stay in touch with everyone that lives, works and plays along our natural gas system. We want everyone to know how to handle a gas leak, from identification to evacuation, then reporting and eventually when to return to their home or business.

We use a variety of approaches to be in contact with community members, including social media, media releases, email, text messaging and door hangers.

Preparing first responders and excavators

As we work to reduce the number of pipeline hits and damage, we also recognize that when accidents do happen, first responders need an understanding of how to safely respond to natural gas and electrical emergencies. It's vital that we continue building effective partnerships within the communities we serve so that we are all prepared in case of emergency.

That's why we sponsor an **online training curriculum** with education tracks for fire and emergency medical services, law enforcement and community officials. This training is designed to support pre-existing department safety training programs and increases trainees' knowledge on how to safely respond to natural gas and electrical emergencies and online learning management system that tracks completion status and completion dates.

Building relationships with public officials

We maintain damage prevention programs in all six of our natural gas territories and abide by all laws and statutes. While the specifics of these statutes vary from state to state, they generally lay out the requirements for a utility to receive excavation notices from excavating parties and mark these facilities within a required time frame. Some go further and lay out requirements for how the excavator will dig around the facility and other requirements such as pre-marking, etc.

These laws are good and create a framework around which utilities can build a damage prevention program but they should not be relied on as the sum total of a utility's damage prevention efforts.

Our commitment to safety extends beyond the bare minimum of each state's statutes. We continue to develop our safety program with a goal to be an industry leader. As part of this, we work to develop relationships with state and local public officials, so that safety efforts and education can be a stronger partnership. As we strive to be an industry leader, we also work with lawmakers to make sure there are effective statutes in place to prevent damage to natural gas lines.

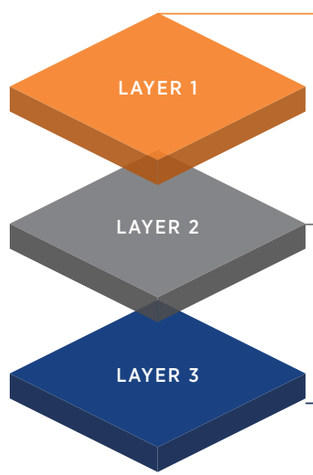
Wildfire management

Each year we review our specific risks related to wildfire potential across our electric service territory. We conduct extensive asset-based risk modeling to target wildfire mitigation activities that most significantly reduce the potential for ignition of wildfires and how best to respond to a wildfire near our facilities. Our wildfire risk mitigation strategies are supported by a three-layered approach, driven by asset-based risk assessments that include asset programs, integrity programs and operational response.

We work closely with fire agencies given the collaborative nature of wildfire emergency response. We provide electrical safety training to first responders with a high voltage training trailer. Interactions like this provide opportunities for both parties to educate each other on key considerations that pertain to their operational and emergency response practices. We also leverage relationships with key stakeholders such as local governments, emergency management centers, business associations and chambers of commerce to activate a comprehensive community outreach strategy.

We are actively engaged in industry conversations around best practices and mitigation strategies. Our employees are connected to our wildfire risk mitigation strategies and recognize that what we do and how we do it truly matters.

Learn more at **blackhillsenergy.com/wildfire-safety**.



ASSET PROGRAMS

We conduct proactive equipment inspections and repairs and utilize maintenance practices that include vegetation management within our rights of way, electric power line patrols (air and ground), in addition to power pole inspections and replacement.

INTEGRITY PROGRAMS

We make system investments aimed at improving reliability and reducing risk, undergrounding electric distribution lines, and applying construction standards that reduce the likelihood of wildlife interactions with facilities.

OPERATIONAL RESPONSE

We make risk-driven decisions including system reconfigurations and daily work activities and equipment operation (non-reclosing energized power lines) and use fire weather forecasting tools to enhance our team's situational awareness and better understand and appreciate potentially hazardous fire areas.

CARING FOR OUR COMMUNITIES

Serving 1.34 million natural gas and electric utility customers in 800+ communities across eight states, our direct economic impact included charitable giving, compensation for almost 2,900 employees, franchise fees, payments to suppliers, and property, sales and use taxes paid to our communities.

$1.35 BIL
DIRECT ECONOMIC IMPACT

$4.3 MILLION
CHARITABLE GIVING

Included contributions and sponsorships to nonprofits, chambers and economic development organizations, United Way, energy assistance, in-kind donations, scholarships and investments in trees.

$651,000
ECONOMIC DEVELOPMENT

Aided economic development organizations and chambers of commerce working to strengthen communities.

$697,000
ENERGY ASSISTANCE

Raised for our energy assistance program, Black Hills Cares, that helped over 4,600 families in need.

$51,000
IN-KIND OR OTHER DONATIONS

Supported community projects by sharing our unique skills and energy.

31,000+
VOLUNTEER HOURS

Shared by more than 760 employees with over 930 community organizations.

$2.3 MILLION
CONTRIBUTIONS & SPONSORSHIPS

Invested by our state utilities and the Black Hills Corp. Foundation in the great work of hundreds of worthy local organizations and nonprofits.

$560,000
UNITED WAY PLEDGES

Benefited more than 45 United Ways across our eight states including over $495,000 in employee pledges plus a 25% match from Black Hills Corp. Foundation.

1,248
TREES PLANTED

Which will grow to filter over 3.9 million gallons of storm water and avoid or sequester over 1.8 million pounds of carbon.

7,300+
FIRST RESPONDERS & EXCAVATORS

Trained on emergency response and safe digging practices so everyone knows safety is our top priority and the rules around 811.

Employee involvement

Each year, our employees give generously of their time and talents to support community organizations and nonprofits across our service territory. This support includes personal contributions to the United Way through monthly payroll donations and one-time gifts. In 2023, 33% of our workforce participated in the company's annual United Way campaign, contributing at least their Fair Share (one hour of pay per month) for a total $495,000. Combined with a 25% matching gift by the Foundation, 2023 giving to the United Way totaled nearly $560,000. In addition, more than 760 employees volunteered over 31,000 hours of their time, including nonprofit board service, mentoring to students in STEM education, coaching youth sports teams, and countless service projects.

Ambassador program

The Ambassador program is a corporate initiative that began in 2008, providing more than 100 employees opportunities to serve and lead. Ambassadors serve as positive representatives of our company in both internal and external settings, connecting with people on a personal and relevant level; the essence of a grassroots program. Ambassadors are nominated and selected to serve two-year terms that involve volunteering, coordinating initiatives at a local level and participating in key community events. Ambassadors live in every state in our service area and help represent Black Hills Energy in community engagement.

Community engagement

In addition to volunteerism by both our ambassadors and employees, we also regularly engage with our customers and communities. Our community affairs team leads this engagement and is embedded within each state of our service area. Each state has a formal community engagement plan, unique to the makeup and needs of that area. Multiple tools are used for engagement, both formal and informal, including citizen advisory councils, community technician programs, periodic surveys of elected officials and direct community outreach.

In advance of and during construction projects that may impact stakeholders, we conduct outreach as part of the project plan. Depending on the project, community engagement surrounding a project may entail:

- Open houses for landowners, the general public and affected neighbors.
- Media relations/news releases.
- Dedicated project website.
- Tours of the project site with local leaders, elected officials or regulators.
- Comprehensive communications with landowners.
- Outreach to/coordination with businesses to reduce traffic and access issues.
- Signage along the route to notify area residents.
- Paid advertising.

Supporting our communities and neighbors

We are committed to improving the communities in which we live and work. In 2023, our community support totaled $4.3 million, including $651,000 in support to hometown charities and nearly $2.3 million to support economic development organizations working to strengthen our communities.

It also includes over $495,500 in employee gifts to more than 45 United Way organizations across our service territory, which were matched at 25% by our corporate foundation. Employees also gave $380,000 to Black Hills Cares, our energy assistance program, which we matched dollar-for-dollar.

Tree planting

In 2023, we invested $64,000 in planting 1,248 trees that will grow to save energy by blocking the hot summer sun and cold winter winds, as well as filter over 3.9 million gallons of storm water and avoid or sequester almost 1.8 million pounds of carbon dioxide. Since beginning our program in 1992, the Arbor Day Foundation and Trees Forever estimate the Black Hills Energy program has avoided 37.8 million pounds of carbon, filtered 109.5 million gallons of stormwater and saved about 9.7 million kWh of energy — the equivalent of taking 1,240 cars off the road each year.

Black Hills Cares

Making ends meet can be a concern for many families. Last year was made even more difficult due to rising inflation and a challenging economy. Whether due to an emergency expense, job loss or any other hardship, our energy assistance program, Black Hills Cares, is ready to help our customers who are struggling to pay for their basic needs.

Last year, Black Hills Cares provided critical energy assistance to over 4,600 families through partnerships with two dozen agencies throughout our service territory. We match our customers' and employees' contributions to Black Hills Cares dollar-for-dollar, raising a total of almost $697,000 last year.

In the past 15 years, Black Hills Cares has provided almost $8.6 million in customer, employee and company donations to provide energy assistance for those in need.

Black Hills Corp. Foundation

The Black Hills Corp. Foundation was established in 2001 to support community organizations across our service territory. Since that time, the Foundation has provided funding for long-lasting, "brick-and-mortar" and other community legacy projects. In 2023, Foundation grants were awarded in the following focus areas: helping people, responsible energy and environmental stewardship, strong communities and workforce/education.

To apply for an event sponsorship and donation from our state utilities or the Black Hills Corp. Foundation, **click here**.

Learn more about all our 2023 community efforts at **blackhillsenergy.com/community-impact**.

MAKING A DIFFERENCE ONE GAS LINE AT A TIME

When a Colorado resident called asking for a quote on a gas service line for his home, it turned into an opportunity for us to help a neighbor in need.

Our tech, Harold, answered a routine service call — a homeowner, Roger, was looking to connect a natural gas stove and fireplace he'd been recently gifted. During the conversation, the homeowner expressed his excitement about using the new gas appliance, as his current heating source — electric baseboard — was not efficient or cost-effective. Roger lived on a fixed income and had to keep his thermostat set low. He was hopeful his new natural gas fireplace could keep him warmer and save money.

An obstacle arose. To use the new natural gas appliance, a service line needed to be installed. Based on the location of Roger's home from the main line, installing a new service line required significant third-party contractor work. Roger sadly determined installing a natural gas line wasn't in his budget and his new fireplace would have to go unused.

Leaving the conversation, Harold couldn't shake the feeling that we could help. He spoke with his supervisor about creative ways to lower the cost of the service line and made a call to our energy efficiency team asking if there were rebates available to help Roger with his heating costs. Together, over the course of five months, our Colorado crew rallied by donating both time and materials to install the service line and connect Roger with energy assistance and rebates to make Roger's dream of a warm home a reality.

What started as a simple request transpired into the opportunity to truly live out our mission of *improving life with energy*. Roger is now enjoying the benefits of a more energy efficient appliance, saving energy and money for years to come.

SPOTLIGHT

SUSTAINABLE GROWTH

Our social impact adds economic value within our local communities. We play a critical role in the ecosystem of our communities by providing jobs and benefits to our employees, paying taxes, community giving and purchasing goods and services to maintain and upgrade our vast network of electric and natural gas system infrastructure. In 2023, our direct economic impact was estimated at $1.35 billion.

Direct Economic Impact Summary	2023 (in thousands)
City franchise fees[1]	$47,702
Charitable impact	$4,287
Employee compensation (wages and benefits[2])	$397,782
Payments to suppliers (total spend)	$715,828
Property taxes	$59,061
State income tax	$997
Sales tax[3]	$113,720
Use tax	$1,146
Excise tax[3]	$98
Coal tax	$8,782
TOTAL	**$1,349,403**

Supply chain and diversity

In 2023, we spent approximately $716 million with suppliers to support our utility operations and better serve our customers. Of that spend, 34% was completed with businesses within our eight-state service territory. We also remain committed to supporting the small and diverse local businesses in our communities. In 2023, our spend with small businesses, women and minority-owned businesses and other diverse suppliers represented 14% of our total dollars spent.

Black Hills Corp. is committed to safety, diversity, environmental leadership, social responsibility and ethical business practices. These fundamental values guide how the decisions we make today are the right decisions for tomorrow. We expect our suppliers of goods and services to adhere to these fundamental values and apply them to how they do business.

Our **Supplier Code of Conduct** describes our expectations in detail.

Financial performance

We marked 140-years of delivering energy to customers in 2023, a testament to our long-term strategy and financial strength. Sustaining Black Hills Energy into the future requires solid financial performance to provide the necessary capital to invest in our customers and communities. Our financial results in 2023 reflected our ongoing investments to better serve our customers and support their increased demand for energy.

For 2023, we reported earnings per share of $3.91. Results were driven by disciplined cost management, fair returns on invested capital and ongoing customer growth. We delivered on our commitment to strengthen our financial position in 2023 as we improved our net debt to total capitalization ratio to 57.3% and maintained our BBB+ equivalent credit ratings. Our financial progress in the face of a changing economic environment was no easy feat, as we flexed the organization to achieve our objectives, including conserving capital and managing expenses while executing on what was necessary to deliver on our commitments for our customers and shareholders.

Success in serving the growing needs of our customers requires consistent investment and a forward-thinking operational team. In 2023, we deployed $590 million of capital primarily for safety and resiliency and to meet ongoing customer growth. Maintaining that focus, we are forecasting capital investments of $4.3 billion over the next five years. We are balancing investment needs against strengthening our balance sheet and customer costs, particularly in the current inflationary environment. In striking that balance, we are projecting capital investment of approximately $840 million for 2024, while continuing to focus on financial discipline and placing an intentional emphasis on fostering our continuous improvement culture.

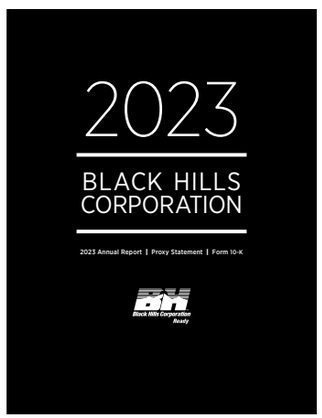
We completed 53 consecutive years of dividend increases in 2023, one of the longest dividend increase track records in the natural gas and electric utility sector. In this time, we increased our dividend by $0.09 to $2.50 per share and averaged an increase of 5.3% annually over the last five years. This remarkable consistency speaks to the leadership, vision and perseverance of our company. We are equally proud that the company has paid dividends to our shareholders every year since 1942, which is just another illustration of our resiliency and commitment to creating sustainable value for our shareholders.

1. *Payments made to local governments for use of public rights-of-way.*
2. *Benefits include employer contributions for Health and Welfare benefits as well as 401(k) and retirement contributions.*
3. *Depending on state and local laws, we are required to collect sales tax from customers on taxable sales of goods and services. We also pay taxes on certain purchases made by Black Hills Energy that have not been previously taxed by the vendor or service provider.*

Capital investment

Our team successfully executed our customer-focused capital investment program, prudently deploying $590 million in 2023 to improve the safety, reliability and resiliency of our extensive electric and natural gas infrastructure systems, while also expanding our renewable energy offerings. Our long-term, programmatic approach to planning and prioritizing resources forecasts capital investments of $4.3 billion, in 2024 through 2028, to further enhance the safety and reliability of our infrastructure and meet our customers growing energy needs.

We believe that strong governance lays the groundwork for sustainable success and provides the foundation for constructive management and strategic oversight. It also supports a rigorous culture of compliance and accountability.



Read the 2023 Annual Report to learn more.

Base capital investment by segment and recovery (in millions)

	2023A	2024F	2025F	2026F	2027F	2028F	2024-2028F
Minimal lag capital — electric utilities[1]	$30	$58	$93	$291	$7	$15	$464
Rider eligible capital — electric utilities[2]	81	221	117	60	41	27	466
Growth capital — electric utilities[3]	19	23	38	21	23	18	122
Other	81	107	38	94	128	205	572
Electric utilities	**$211**	**$409**	**$287**	**$466**	**$199**	**$264**	**$1,625**
Minimal lag capital — gas utilities[1]	100	126	143	95	96	102	563
Rider eligible capital — gas utilities[2]	142	139	133	145	149	125	692
Growth capital — gas utilities[3]	84	115	96	80	79	83	454
Other	47	27	14	47	48	63	199
Gas utilities	**$372**	**$407**	**$387**	**$368**	**$372**	**$373**	**$1,908**
Total utilities	**$583**	**$816**	**$674**	**$834**	**$571**	**$638**	**$3,533**
Corporate	7	24	29	29	27	29	139
Incremental projects[4]	-	-	100	400	50	50	600
Total Black Hills Energy forecast	**$590**	**$840**	**$803**	**$1,263**	**$648**	**$717**	**$4,271**

Forecasted amounts are subject to change in timing and costs of projects and other factors; some totals may differ due to rounding

1. Minimal lag capital — investment with regulatory lag of less than one year or incurred during expected regulatory test periods
2. Rider Eligible Capital — capital expenditures recovered through state specific tariffs or FERC formula rates and meets minimal lag capital definition.
3. Growth Capital — generates immediate revenue on customer connections.
4. Incremental projects being evaluated for timing, cost, and other factors. Expecting total investment of $600+ million annually, or $3+ billion 2021-2025

A CONTINUING CONTRIBUTION FOR THE COMMUNITY

The Boys & Girls Club of Cheyenne, Wyoming, plays a vital role in shaping the lives of families in Wyoming. The chapter serves around 1,000 Cheyenne youth and offers after-school programs, mentorship, tutoring, educational programs that include STEM, art and career exploration. They provide opportunities that nurture academic success, healthy lifestyles and positive character development.

Alongside Microsoft, NextEra Energy Resources and Southern Power, we're proud to power the next generation of Cheyenne's youth through a $1.3 million sustaining gift. Paid over 10 years beginning in 2024, this community investment is a testament to our collective commitment to building a sustainable and thriving community, where kids have the opportunity to reach their full potential.

The contribution will provide long-term funding that aligns with the Boys & Girls Club's mission. "Our kids are able to dream big and know that they have people who believe in them and are going to help them succeed," said Justin Pendleton, CEO of the Cheyenne Boys & Girls Club. "When I was younger, I didn't feel safe at home... the club gave me the opportunity to be here, with friends in a great social atmosphere where I was safe. It made going through that hard part a little easier," shared Aiden, a Boys & Girls Club Youth of the Year.

The support creates a ripple effect, impacting not only the lives of the Club's members today, but for generations to come. "This gift is going to change their lives, and break cycles that these kids are in for decades to come," said Justin.

This partnership demonstrates a pledge to community collaboration, fostering a sustainable future where children can thrive.

SPOTLIGHT

CORPORATE GOVERNANCE

Sustainability begins at the highest levels in Black Hills Energy, with oversight from our board of directors and full support from our CEO and ESG Steering Committee. Our commitment to sustainability is integrated throughout the company with guidance from a cross-functional sustainability strategy team.

Business conduct

Our corporate compliance and ethics programs provide the foundation for our business conduct, essential for earning the trust of our customers and communities, regulators and shareholders, and employees. We hold ourselves accountable for complying with all company policies, state and federal laws, and the rules and regulations that govern our industry. To facilitate this compliance, employees at all levels of our company, including contract workers and vendors, are expected to complete annual training on — and adhere to — our **Code of Business Conduct.**

Human rights

Our respect for human rights is reflected in our corporate values. We support the principles outlined in our **Human Rights Policy** outlines support for standards including ethical and lawful practices concerning human rights, diversity, nondiscrimination and harassment, labor standards, collective bargaining and supplier relationships.

Ethics Helpline

We strive to provide a workplace environment where employees feel comfortable asking questions or voicing concerns without fear of retaliation. To support this culture, we provide a dedicated and confidential Ethics Helpline that is available 24 hours a day, seven days a week. This service is available to all employees, as well as to anyone outside the company, to report actual or suspected ethical or illegal misconduct. The Ethics Helpline is managed by an independent, third-party operator and all reports are promptly investigated. Our ethics program is reviewed both internally and externally on a regular basis and employee understanding of the program is periodically assessed.

Political contributions

We stay informed of public policy issues that impact our business and engage in related processes. Federal, state and local laws govern corporate policy and political activities. Our company follows all federal, state, and local laws, rules and regulations related to policy development and the political process.

As with all corporations, Black Hills Corp. is prohibited from contributing directly or indirectly in support of political candidates for elective federal offices in the United States. Additionally, the company does not make direct contributions to candidates to state or local-level offices.

The employee-supported Black Hills Corp.Political Action Committee (PAC) allows employees to engage voluntarily in the political process and in accordance with all federal, state and local laws. The PAC's board, which is comprised of employee representatives from across the company, is responsible for reviewing and approving state and federal political contribution requests.

LEADERSHIP AND COMPANY OVERSIGHT

Board of directors

The members of our board of directors have a fiduciary responsibility to act in the best interests of Black Hills Corp. and its shareholders. The board operates according to best practice principles outlined in the "Corporate Governance Guidelines of the Board of Directors." These principles lay the foundation for the board's oversight responsibilities.

Our corporate governance structure promotes a strong, independent board of directors composed of diverse individuals whose backgrounds, abilities, commitment and expertise combine to provide strong oversight for the company.

Board leadership

The board does not have a position regarding whether the roles of Chairman and CEO should be separate or combined. The board can choose the leadership structure it feels best represents the interests of the company and its shareholders. When the Chairman and CEO roles are combined, the board shall appoint one of its independent directors to be the lead director. The board believes that having separate positions and having an independent director serve as Chairman is currently the appropriate leadership structure of the company.

Board composition

The bylaws of Black Hills Corp. authorize the oversight of the company through a board of no less than nine members, with discretion to increase its size. As of Dec. 31, 2023, our board was composed of 10 directors, nine of whom are considered independent within the listing standards of the New York Stock Exchange. The CEO is an inside director and is not deemed independent.

Our collaborative culture encourages differing views and perspectives, and we strive to create an inclusive environment at Black Hills Corp., starting with the composition of our board of directors. We intentionally recruit individuals diverse in race, gender and background, and seek diversity in both the prospective director pool and interview panel. Consistent application of these practices has made us a leader among our peers for the diversity of our board, with over one-third of board seats currently held by gender or racially diverse directors.

In 2023 the composition of our board was as follows:

- Gender diversity: 30%
- Racial or ethnic diversity: 10%
- Average age: 64.2
- Average tenure: 7.4 years

For information on our current board of directors, **click here**.

Board responsibilities

To support effective management oversight of the critical issues related to financial and operating plans, long-range strategic issues, enterprise risk and corporate integrity, only independent board members serve on our board committees. The board has three committees to help execute its responsibilities:

- Audit committee
- Compensation committee
- Governance committee

A full description of committee responsibilities can be found in our committee charters and in our proxy statement. Notably, the board oversees ESG, and the governance committee oversees the reporting framework we use to track and monitor ESG progress. The compensation committee provides oversight of the company's diversity and inclusion. Our audit committee oversees financial risk and the process used to monitor compliance with our **Code of Business Conduct**. More information about our directors, governance documents and committee charters can be found at **ir.blackhillscorp.com**.

Executive compensation

Our board's compensation committee has an executive compensation philosophy that provides the foundation for our executive compensation program. The philosophy states that the program should be market-based and maintain an appropriate and competitive balance between fixed and variable pay, short-term and long-term compensation and cash and stock-based compensation.

Company financial, safety, employee wellness, and climate related goals are used as measures to determine incentive programs. Additional information on our performance in these areas is included later in this report. At our 2024 annual meeting, our executive compensation program received a 97% favorable vote from shareholders.

Executive compensation program overall goals

- ☑ Attract, motivate and retain highly talented professionals
- ☑ Drive long-term success
- ☑ Encourage operational excellence
- ☑ Provide safe, reliable products and services
- ☑ Invest wisely for present and future shareholder returns

All shareholders have the ability to nominate a candidate for our board of directors and all candidates are given equal consideration, without regard for the nominating party. Additionally, all shareholders have the opportunity to submit a proposal to be included in our proxy materials.

RISK MANAGEMENT AND COMPLIANCE

Risk management

Our enterprise risk management program is designed to identify, report and manage risk and opportunity to the achievement of strategic objectives. Managing areas of risk, including ESG, cybersecurity, compliance, human resources, operational, regulatory, financial and reputational risks, are embedded into business processes and key decision making. Our enterprise risk management program includes regular discussion with our Senior Leadership Team and quarterly reporting to our board of directors.

Cybersecurity

Black Hills Energy applies industry-standard security frameworks in our Corporate and Industrial Control System (ICS) environments as part of our commitment to the delivery of safe and reliable energy to our customers. We apply a standard of continuous improvement to cybersecurity with ongoing employee training, education and system enhancements. Security assessments are regularly conducted through internal threat hunting as well as external penetration testing. The company is subject to regular compliance audits, which are conducted by third-party assessors and auditors and regulatory bodies, including North American Electric Reliability Corporation (NERC) and Transportation Security Administration (TSA). We incorporate government and industry-related security intelligence sources and actively participate in industry peer groups such as Edison Electric Institute (EEI), American Gas Association (AGA) and Cybersecurity and Infrastructure Security Agency (CISA). Our Chief Information Officer provides quarterly reports to the board of directors.

Black Hills Energy is also a member of the Cybersecurity Risk Information Sharing Program (CRISP), a partnership with energy providers and the U.S. Department of Energy. As a voluntary participant in the CRISP program, we share threat information that could potentially detect and prevent cyber threats directed at Black Hills Energy and other utilities. Black Hills Energy also participates in several public-private information sharing agreements with the DOE, CISA and FBI as well as other private sources.

At Black Hills Energy, each employee plays a role in security and our overall culture of security and security awareness is embedded in our safety culture, and internal phishing drills are conducted monthly.

Reliability and operational continuity

Reliability and operational continuity are critical to us and those we serve. We evaluate our systems to identify opportunities to support a safe culture. We also routinely test our systems and conduct tabletop drills and large event mock exercises to identify gaps in our response plans and enhance operating procedures.

Environmental

Black Hills Energy's environmental policy outlines our commitment to protecting our natural resources and applies to our suppliers, vendors and contractors, as well as our company. Our comprehensive environmental management information system (EMIS) is used to track performance and compliance with all applicable state and federal environmental regulations.

Regulatory

Our culture of compliance extends to the North American Electric Reliability Corporation (NERC), and Western Electricity Coordinating Council (WECC) regulatory bodies. We have a history of early adoption of major NERC regulatory changes and strive to self-identify, assess, and correct issues. Our goal is an integrity-driven approach that seeks to build trust with our regulators.

Safety management system

In 2018, Black Hills Energy began the voluntarily journey to implement a Safety Management System (SMS). In 2022, we declared our intent with a formal commitment to the industry to have a fully implemented SMS as outlined by API Recommended Practice 1173 by 2027.

An SMS quantitatively assesses risk to feed into a process to make data-driven decisions. The programmatic approach allows for a deliberate and systematic way of managing interrelated processes and resources leading to consistency, effectiveness and efficiency, while also allowing for identification of areas for improvement. This ultimately results in the reduction of risk. Black Hills Energy uses the 10 elements of the SMS to comprehensively manage the many aspects of its system safety.

SMS is an extension of our values and as public stewards and a prudent operator of natural gas and electric infrastructure, implementing a management system is the right thing to do for our coworkers, customers and communities. In addition to the continual improvement of existing processes and resource deployment based on risk, the SMS is intended to help anticipate problems and proactively solve them before they occur, to be prepared to respond if problems do occur and to help us learn from events that have happened across the industry to prevent recurrence.

APPENDIX

NON-GAAP RECONCILIATION

Use of NON-GAAP measures
Limitations on the use of NON-GAAP measures

Non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Our presentation of these non-GAAP financial measures should not be construed as an inference that our future results will not be affected by unusual, non-routine or non-recurring items.

Non-GAAP measures should be used in addition to, and in conjunction with, results presented in accordance with GAAP. Non-GAAP measures should not be considered as an alternative to net income, operating income or any other operating performance measure prescribed by GAAP, nor should these measures be relied upon to the exclusion of GAAP financial measures. Our non-GAAP measures reflect an additional way of viewing our operations that we believe, when viewed with our GAAP results and the reconciliation to the corresponding GAAP financial measures, provide a more complete understanding of factors and trends affecting our business than could be obtained absent this disclosure. Management strongly encourages investors to review our financial information in its entirety and not rely on a single financial measure.

Net income from available for common stock, as adjusted.

We have provided non-GAAP earnings data reflecting adjustments for special items as specified in the GAAP to non-GAAP adjustment reconciliation table. Net income available for common stock, as adjusted, is defined as net income available for common stock, adjusted for expenses, gains and losses that the Company believes do not reflect the company's core operating performance. The Company believes that non-GAAP financial measures are useful to investors because the items excluded are not indicative of the Company's continuing operating results. The Company's management uses these non-GAAP financial measures as an indicator for evaluating current periods and planning and forecasting future periods.

Annual earnings, as adjusted (in millions)

	2019	2020	2021	2022	2023
Net income (loss) available for common stock (GAAP)	$199.3	$227.6	$236.7	$258.4	$262.2
Adjustments (after tax)					
Impairment of investment	15.2	5.3	-	-	
Net income available for common stock, as adjusted (Non-GAAP)	**$214.5**	**$232.9**	**$236.7**	**$258.4**	**$262.2**

EEI

Click here to view this disclosure online and enable cross reference links.

Electric Company ESG/Sustainability Quantitative Information

Parent Company: *Black Hills Corporation*
Operating Company(s): *Black Hills Colorado Electric, LLC (d/b/a Black Hills Energy), Black Hills Power, Inc. (d/b/a Black Hills Energy), Cheyenne Light, Fuel and Power Company (d/b/a Black Hills Energy), Black Hills Colorado IPP, LLC, Black Hills Colorado Wind, LLC, Black Hills Electric Generation, LLC, Black Hills Wyoming, LLC*
Business Type(s): *Vertically Integrated*
State(s) of Operation: *Colorado, South Dakota, Wyoming*
State(s) with RPS Programs: *Colorado*
Regulatory Environment: *Regulated and Non-Regulated*
Report Date: *24-Jun-2024*

Ref. No.	Refer to the 'EEI Definitions' tab for more information on each metric	Baseline 2005	Last Year 2022	Current Year 2023	Comments, Links, Additional Information, and Notes
	Portfolio				
1	**Owned Nameplate Generation Capacity at end of year (MW)**				
1.1	Coal	363	395	395	*Through the implementation of a emission inventory software and subsequent data improvements, the following updates were made to generation and greenhouse gas emissions from the 2022 disclosure: addition of the Ontario Cogeneration gas facility in 2005, utilizing historic EIA-923 monthly heat input and generation data rather than annual averages, modified accounting on negative generation and purchased power, and the addition of the City of Spearfish hydro PPA, and categorizing fuel specific power purchase agreements under Section 2.*
1.2	Natural Gas	121	660	660	
	Natural Gas / Oil	100	100	100	
1.3	Nuclear	0	0	0	
1.4	Petroleum	40	38	38	
1.5	Total Renewable Energy Resources	0	289	202	
1.5.1	Biomass/Biogas	0	0	0	
1.5.2	Geothermal	0	0	0	
1.5.3	Hydroelectric	0	0	0	
1.5.4	Solar	0	0	0	
1.5.5	Wind	0	289	202	
1.6	Other	0	0	0	
	Use the data organizer on the left (i.e., the plus/minus symbol) to open/close the alternative generation reporting options				
2	**Net Generation for the data year (MWh)**				
2.1	Coal	2,563,767	2,827,578	2,699,155	
2.2	Natural Gas	83,649	1,452,289	2,018,974	*Net generation and emissions adjusted by % equity of jointly owned sources. Includes 49.9% third party ownership of Black Hills Colorado IPP reported as noncontrolling interest.*
2.3	Nuclear	0	0	0	
2.4	Petroleum	4,731	-335	-1,208	
2.5	Total Renewable Energy Resources	0	1,323,746	1,080,709	
2.5.1	Biomass/Biogas	0	0	0	
2.5.2	Geothermal	0	0	0	
2.5.3	Hydroelectric	17,205	20,067	21,448	
2.5.4	Solar	0	0	86,284	
2.5.5	Wind	0	1,303,679	972,977	
2.6	Other	3,810,002	1,765,702	1,507,517	*"Other" includes market purchased power and non fuel specific power purchase agreements. Purchased power data excludes intercompany purchases between Black Hills Corporation's regulated and nonregulated operating companies, to avoid double counting MWh and emissions.*
	Use the data organizer on the left (i.e., the plus/minus symbol) to open/close the alternative generation reporting options				
3	**Capital Expenditures and Energy Efficiency (EE)**				
3.1	Total Annual Capital Expenditures (nominal dollars)	Not available	$ 598M	$ 590M	
3.2	Incremental Annual Electricity Savings from EE Measures (MWh)	Not available	16,776	19,841	
3.3	Incremental Annual Investment in Electric EE Programs (nominal dollars)	Not available	$ 6,699,744	$ 7,569,557	
4	**Retail Electric Customer Count (at end of year)**				
4.1	Commercial	25,745	31,428	31,480	
4.2	Industrial	142	82	84	
4.3	Residential	165,483	188,921	190,776	
	Emissions				
5	**GHG Emissions: Carbon Dioxide (CO2) and Carbon Dioxide Equivalent (CO2e)**				
	Note: The alternatives available below are intended to provide flexibility in reporting GHG emissions, and should be used to the extent appropriate for each company.				
5.1	**Owned Generation (1) (2) (3)**				
5.1.1	Carbon Dioxide (CO2)				
5.1.1.1	Total Owned Generation CO2 Emissions (MT)	3,264,707	3,876,841	4,071,461	
5.1.1.2	Total Owned Generation CO2 Emissions Intensity (MT/Net MWh)	1.23	0.78	0.78	
5.1.2	Carbon Dioxide Equivalent (CO2e)				
5.1.2.1	Total Owned Generation CO2e Emissions (MT)	3,290,634	3,902,562	4,096,890	
5.1.2.2	Total Owned Generation CO2e Emissions Intensity (MT/Net MWh)	1.24	0.79	0.78	
5.2	**Purchased Power (4)**				
5.2.1	Carbon Dioxide (CO2)				
5.2.1.1	Total Purchased Generation CO2 Emissions (MT)	3,137,519	1,073,115	903,728	
5.2.1.2	Total Purchased Generation CO2 Emissions Intensity (MT/Net MWh)	0.82	0.45	0.44	
5.2.2	Carbon Dioxide Equivalent (CO2e)				
5.2.2.1	Total Purchased Generation CO2e Emissions (MT)	3,153,475	1,080,457	909,809	
5.2.2.2	Total Purchased Generation CO2e Emissions Intensity (MT/Net MWh)	0.82	0.45	0.44	
5.3	**Owned Generation + Purchased Power**				
5.3.1	Carbon Dioxide (CO2)				
5.3.1.1	Total Owned + Purchased Generation CO2 Emissions (MT)	6,402,226	4,949,956	4,975,189	
5.3.1.2	Total Owned + Purchased Generation CO2 Emissions Intensity (MT/Net MWh)	0.99	0.67	0.68	
5.3.2	Carbon Dioxide Equivalent (CO2e)				
5.3.2.1	Total Owned + Purchased Generation CO2e Emissions (MT)	6,444,110	4,983,020	5,006,699	*Customers calculating Scope 2 emissions should use the residual intensity published in EEI's "Electric Company Carbon Emissions and Electricity Mix Reporting Database".*
5.3.2.2	Total Owned + Purchased Generation CO2e Emissions Intensity (MT/Net MWh)	0.99	0.68	0.69	
5.4	**Non-Generation CO2e Emissions of Sulfur Hexafluoride (SF6) (5)**				
5.4.1	Total CO2e emissions of SF6 (MT)	Not applicable	3,541	3,398	
5.4.2	Leak rate of CO2e emissions of SF6 (MT/Net MWh)	Not applicable	0.000714	0.000649	*SF6 emissions estimated for operating companies that do not trip the EPA reporting threshold.*
6	**Nitrogen Oxide (NOx), Sulfur Dioxide (SO2), Mercury (Hg)**				
6.1	Generation basis for calculation (6)	Total			
6.2	**Nitrogen Oxide (NOx)**				
6.2.1	Total NOx Emissions (MT)	5,045	1,869	1,880	
6.2.2	Total NOx Emissions Intensity (MT/Net MWh)	0.001902	0.000377	0.000359	
6.3	**Sulfur Dioxide (SO2)**				
6.3.1	Total SO2 Emissions (MT)	8,017	1,253	1,147	
6.3.2	Total SO2 Emissions Intensity (MT/Net MWh)	0.003022	0.000253	0.000219	
6.4	**Mercury (Hg)**				
6.4.1	Total Hg Emissions (kg)	90.44	17.0	8.1	*Current (2022 and 2023) Hg emissions include only units that use performance-based measurement and are applicable to the EPA Mercury and Air Toxics Standard (MATS).*
6.4.2	Total Hg Emissions Intensity (kg/Net MWh)	0.000034	0.000003	0.000002	
	Use the data organizer on the left (i.e., the plus/minus symbol) to open/close the Emissions section notes				
	Resources				
7	**Human Resources**				
7.1	Total Number of Employees	843	2,982	2,874	
7.2	Percentage of Women in Total Workforce	27%	25%	24%	
7.3	Percentage of Minorities in Total Workforce	9%	14%	15%	
7.4	Total Number on Board of Directors/Trustees	10	10	10	
7.5	Percentage of Women on Board of Directors/Trustees	10%	30%	30%	
7.6	Percentage of Minorities on Board of Directors/Trustees	10%	10%	10%	
7.7	Employee Safety Metrics				
7.7.1	Recordable Incident Rate	3.99	1.39	1.51	
7.7.2	Lost-time Case Rate	0.39	0.46	0.38	
7.7.3	Days Away, Restricted, and Transfer (DART) Rate	1.93	0.82	0.65	
7.7.4	Work-related Fatalities	-	0	0	
8	**Fresh Water Resources used in Thermal Power Generation Activities**				
8.1	Water Withdrawals - Consumptive (Millions of Gallons)	Not available	664.45	758.92	*Water withdrawal based on facilities we operate.*
8.2	Water Withdrawals - Non-Consumptive (Millions of Gallons)	Not available	0.00	0.00	
8.3	Water Withdrawals - Consumptive Rate (Millions of Gallons/Net MWh)	Not available	1.28E-04	1.40E-04	*Intensity based on generation from fossil fuel and renewable facilities we operate.*
8.4	Water Withdrawals - Non-Consumptive Rate (Millions of Gallons/Net MWh)	Not available	0.00	0.00	
9	**Waste Products**				
9.1	Amount of Hazardous Waste Manifested for Disposal	Not available	12.5	58.2	*All Facilities are classified by the EPA as Very Small Quantity Generators (VSQGs) - due to low quantities of HW generation, however this value has been quantified and reported. This total does not include universal waste, please see our Sustainability Report for complete waste listing.*
9.2	Percent of Coal Combustion Products Beneficially Used	Not available	0%	0%	
	Additional Metrics (Optional)				
	voluntary basis and could be subject to change. These reports contain forward-looking information as defined by the Securities and Exchange Commission. Whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including without limitation, the risk factors described in our 2021 Annual Report on Form 10-K. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.				

AGA

Click here to view this disclosure online and enable cross reference links.

Parent Company: *Black Hills Corporation*
Operating Company(s): *Black Hills Energy Arkansas, Inc. d/b/a Black Hills Energy, Black Hills Colorado Gas, Inc. d/b/a Black Hills Energy, Black Hills Iowa Gas Utility Company, LLC d/b/a Black Hills Energy, Black Hills Kansas Gas Utility Company, LLC d/b/a Black Hills Energy, Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy, Black Hills Wyoming Gas, LLC d/b/a Black Hills Energy, Black Hills Energy Services Company, d/b/a Black Hills Energy*
Business Type(s): *Vertically Integrated*
State(s) of Operation: *Arkansas, Colorado, Iowa, Kansas, Nebraska, Wyoming*
Regulatory Environment: *Regulated*
Report Date: *24-Jun-2024*

Ref. No.	Refer to the "Definitions" column for more information on each metric.	Last Year 2022	Current Year 2023	Definitions	Additional Comments
	Natural Gas Distribution				
				All methane leak sources per 98.232 (i) (1-6) are included for Distribution. Combustion sources are excluded. CO_2 is excluded.	
1	**METHANE EMISSIONS AND MITIGATION FROM DISTRIBUTION MAINS**				
1.1	Number of Gas Distribution Customers	1,107,115	1,116,393		
1.2	Distribution Mains in Service	30,537	30,917	These metrics should include all local distribution companies (LDCs) held by the Parent Company that are above the LDC Facility reporting threshold for EPA's 40 C.F.R. 98, Subpart W reporting rule.	
1.2.1	Plastic *(miles)*	17,952	18,607		
1.2.2	Cathodically Protected Steel - Bare & Coated *(miles)*	12,081	11,945		
1.2.3	Unprotected Steel - Bare & Coated *(miles)*	503	366		*Unkown pipeline material is categorized as unprotected steel.*
1.2.4	Cast Iron / Wrought Iron - without upgrades *(miles)*	0	0		
1.3	Plan/Commitment to Replace / Upgrade Remaining Miles of Distribution Mains *(# years to complete)*			These metrics should provide the number of years remaining to take out of service, replace or upgrade catholdically unprotected steel mains, and cast iron/wrought iron mains, consistent with applicable state utility commission authorizations.	
1.3.1	Unprotected Steel (Bare & Coated) (*# years to complete*)	13	12	Optional: # yrs by pipe type.	*Black Hills Corporation has set a goal to replace all unprotected steel pipe by 2035.*
1.3.2	Cast Iron / Wrought Iron (*# years to complete*)	n/a	n/a	Optional: # yrs by pipe type.	*Black Hills Corporation completed all replacement of cast iron pipe in 2014.*
2	Distribution CO2e Fugitive Emissions				
2.1	CO2e Fugitive Methane Emissions from Gas Distribution Operations *(metric tons)*	329,350	239,825	Fugitive methane emissions (not CO2 combustion emissions) stated as CO2e, as reported to EPA under 40 CFR 98, Subpart W, sections 98.236(q)(3)(ix)(D), 98.236(r)(1)(v), and 98.236(r)(2)(v)(B) - i.e., this is Subpart W methane emissions as input in row 2.2 below and converted to CO2e here. This metric should include fugitive methane emissions above the reporting threshold for all natural gas local distribution companies (LDCs) held by the Parent Company that are above the LDC Facility reporting threshold for EPA's 40 C.F.R. 98, Subpart W reporting rule. Calculated value based on mt CH4 input in the 2.2 (below).	*Emissions include LDCs that report under Subpart W, and estimated emissions using Subpart W methodologies for remaining facilities. Black Hills Corporation also reports distribution emissions through the Natural Gas Sustainability Initiative (NGSI).*
2.2	CH4 Fugitive Methane Emissions from Gas Distribution Operations *(metric tons)*	13,174	9,593	INPUT VALUE (total mt CH4) as explained in definition above. Subpart W input is CH4 (mt).	*Reported reductions from 2022 to 2023 are primarily the result result of data integrity improvements, as well as remisison reductions from unprotected steel pipeline replacements and transfer station leak surveys.*
2.2.1	CH4 Fugitive Methane Emissions from Gas Distribution Operations (MMSCF/year)	686	500		
2.3	Annual Natural Gas Throughput from Gas Distribution Operations in thousands of standard cubic feet (*Mscf/year*)	236,662,401	232,636,648	This metric provides gas throughput from distribution (quantity of natural gas delivered to end users) reported under Subpart W, 40 C.F.R. 98.236(aa)(9)(iv), as reported on the Subpart W e-GRRT integrated reporting form in the "Facility Overview" worksheet Excel form, Quantity of natural gas delivered to end users (column 4).	
2.3.1	Annual Methane Gas Throughput from Gas Distribution Operations in millions of standard cubic feet (MMscf/year)	224,829	221,005		
2.4	Fugitive Methane Emissions Rate (Percent *MMscf of Methane Emissions per MMscf of Methane Throughput*)	0.31%	0.23%	Calculated annual metric: (MMSFC methane emissions/MMSCF methane throughput)	
	Natural Gas Transmission and Storage				
				All methane leak sources per 98.232 (e) (1-8), (f)(1-8), and (m) are included for Transmission and Storage. Combustion sources are excluded. CO_2 and N_2O are excluded.	*Black Hills Corporation transmission operations fall below the reporting threshold for this segment.*
	Natural Gas Gathering and Boosting				
					Please reference the Black Hills Energy Natural Gas Sustainability Initiative (NGSI) metrics for natural gas gathering & boosting emission calculations.
	Human Resources				
1.1	Total Number of Employees	2,982	2,874		
1.2	Percentage of Women in Total Workforce	25%	24%		
1.3	Percentage of Minorities in Total Workforce	14%	15%		
2.1	Total Number on Board of Directors/Trustees	10	10		
2.2	Percentage of Women on Board of Directors/Trustees	30%	30%		
2.3	Percentage of Minorities on Board of Directors/Trustees	10%	10%	Reference Section 7 Human Resources in EEI Definitions tab.	
3	Employee Safety Metrics				
3.1	Recordable Incident Rate	1.39	1.51		
3.2	Lost-time Case Rate	0.46	0.38		
3.3	Days Away, Restricted, and Transfer (DART) Rate	0.82	0.65		
3.4	Work-related Fatalities	0	0		
	Additional Metrics (Optional)				
	All information and data in the EEI and AGA ESG qualitative and quantitative reports are provided on a voluntary basis and could be subject to change. These reports contain forward-looking information as defined by the Securities and Exchange Commission. Whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including without limitation, the risk factors described in our 2021 Annual Report on Form 10-K. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.				

NGSI

Click here to view this disclosure online and enable cross reference links.

BLACK HILLS CORPORATION

NATURAL GAS SUSTAINABILITY INITIATIVE (NGSI) METHANE INTENSITY DISCLOSURE

Reporting Year: 2023*

Natural Gas Distribution Segment - Publicly Reported Data

NGSI participants are encouraged to publicly report the following data each year. NGSI requests data at a company level. However, companies may also choose to disclose facility-level methane emissions and intensity.

Disclosure Element	Reported Data	Description
Total Methane Emissions, GHGRP emission factors for mains and services (MT)	13,354.01	Total distribution segment methane emissions from GHGRP and non GHGRP facilities, calculated using GHGRP emission factors for mains and services
Total Methane Emissions, GHG Inventory emission factors for mains and services (MT)	9,406.98	Total distribution segment methane emissions from GHGRP and non GHGRP facilities, calculated using GHG Inventory emission factors for mains and services
Natural Gas Delivered to End Users, As Reported (Mscf)	232,636,648.00	Total volume of natural gas delivered to end users from GHGRP facilities and non GHGRP facilities, as reported
Natural Gas Delivered to End Users, Normalized (Mscf)	194,098,051.03	Total volume of natural gas delivered to end users from GHGRP facilities and non GHGRP facilities, normalized
Methane Content of Delivered Natural Gas, Reported (%)	93.4%	Methane content of delivered natural gas, as reported (weighted average methane content of all throughput).
Methane Content of Delivered Natural Gas, Normalized (%)	93.4%	Methane content of delivered natural gas, normalized (weighted average methane content of all throughput)
NGSI Methane Emissions Intensity, GHGRP emission factors for mains and services (%)	0.3201%	Methane emissions intensity associated with natural gas distribution using reported throughput and GHGRP emission factors for mains and services (methane emissions associated with natural gas distribution divided by total methane throughput)
Normalized NGSI Methane Emissions Intensity, GHGRP emission factors for mains and services (%)	0.3837%	Methane emissions intensity associated with natural gas distribution using normalized throughput and GHGRP emission factors for mains and services (methane emissions associated with natural gas distribution divided by total methane throughput)
NGSI Methane Emissions Intensity, GHG Inventory emission factors for mains and services (%)	0.2255%	Methane emissions intensity associated with natural gas distribution using reported throughput and GHG Inventory emission factors for mains and services (methane emissions associated with natural gas distribution divided by total methane throughput)
Normalized NGSI Methane Emissions Intensity, GHG Inventory emission factors for mains and services (%)	0.2703%	Methane emissions intensity associated with natural gas distribution using normalized throughput and GHG Inventory emission factors for mains and services (methane emissions associated with natural gas distribution divided by total methane throughput)

Natural Gas Gathering and Boosting Segment - Publicly Reported Data

NGSI participants are encouraged to publicly report the following data each year. NGSI requests data at a company level. However, companies may also choose to disclose facility-level methane emissions and intensity

Disclosure Element	Reported Data	Description
Total Methane Emissions (MT)	498.09	Total gathering and boosting segment methane emissions from GHGRP and non GHGRP facilities
Natural Gas Transported (Mscf)	5,927,151.00	Total volume of gas transported by GHGRP and non GHGRP facilities
Energy Content of Natural Gas Transported (MMBtu/Mscf)	1.235	Raw gas higher heating value (weighted average energy content of all natural gas transported)
Methane Content of Natural Gas Transported (%)	83.3%	Methane content of natural gas transported (weighted average methane content of all natural gas transported)
Hydrocarbon Liquids Transported (bbl)	0.00	Total volume of hydrocarbon liquids transported by GHGRP and non GHGRP facilities
Energy Content of Hydrocarbon Liquids Transported (MMBtu/bbl)	No Liquids	Heating value of all hydrocarbon liquids transported (weighted average energy content of all hydrocarbon liquids transported)
Gas Ratio (%)	100.00%	Share of natural gas transported on an energy equivalent basis (energy content of natural gas throughput divided by sum of energy content of natural gas and hydrocarbon liquid throughput). Note: this reflects the company-level gas ratio; to calculate company-level NGSI methane emissions intensity, emissions must be allocated using the facility-level gas ratios
NGSI Methane Emissions Intensity (%)	0.5254%	Methane emissions intensity associated with natural gas gathering & boosting (methane emissions allocated to natural gas divided by total methane throughput)

Due to the timing of the 2023 NGSI disclosure template release, this disclosure utilizes the 2021 disclosure template and methodologies.

SASB

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2023 Sustainability Accounting Standards Board (SASB) Mapping Report
Black Hills Corporation
SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS
Electric Utilities & Power Generators

Topic	SASB Code	Accounting Metric	Response
Greenhouse Gas Emissions & Energy Resource Planning	IF-EU-110a.1	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations.	See EEI Disclosure (1) 4,100,289 MT. Scope 1 emissions for Power Generators and SF6 only, see EEI Disclosure. (2) 4.35% (3) 99.8%. SF6 emissions are part of our electric utilities and are being reported under this framework (Electric Utilities and Power Generators)
	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	See EEI Disclosure 5,006,699 MT. Emissions associated with all power deliveries, including market sales, see EEI Disclosure.
	IF-EU-110b.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	See page 11 of our Corporate Sustainability Report We are excited to announce significant advancements in our decarbonization journey. We have continued to achieve progress toward our goal to reduce electric utility emission intensity 40% by 2030 and 70% by 2040 and have expanded our natural gas utility goal to be net zero for our distribution system by 2035. We are transitioning to a cleaner energy future through the addition of low or zero-carbon generation sources, and fossil-fuel plant retirements or conversions. Our preferred resource plan in Colorado plans to add 400 MW of renewable energy and battery storage by 2030. We will be positioned to achieve our greenhouse gas (GHG) reduction goals, without reliance on future technologies, through the conversion of Neil Simpson II coal plant to include natural gas as a dual fuel unit, conversion or retirement of our remaining coal and diesel power plants and added renewable energy resources and storage. In addition to company owned and operated renewable energy sources, we leverage power purchase agreements (PPA) to meet customers' needs and help achieve our GHG reduction goals. Our first large-scale solar PPA, Fall River Solar, was brought online in 2023. The energy from this 80 MW project located near Oelrichs, South Dakota will be used to serve Black Hills Energy customers throughout western South Dakota and eastern Wyoming. Our total renewable portfolio of owned and contracted renewable energy represents 33% of our generation capacity and helps to achieve our GHG reduction goals and serve our customers' needs. Natural gas is a critical source of energy and it will play a vital role in the energy transition, reducing our country's greenhouse gas emissions. Our natural gas utilities serve more than 1.1 million customers in six states. We operate a gas system above industry standards, investing in quality materials with low emission rates. Cast iron pipe has not been present in our system since 2014, and 99% of our infrastructure is comprised of protected steel or plastic. These investments, with a focus on system integrity, damage prevention and measurement improvement, have positioned us to achieve our net zero emissions target for our natural gas distribution system by 2035.
Air Quality	IF-EU-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) Sox, (3) Particulate matter (PM10), (4) Lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	See EEI Disclosure for additional notes on inclusions. (1) 1,880 MT (2) 1,147 MT (3) 366 MT (4) 0.03 MT (5) 0.008 MT NOx (1.91%), SO2 (0.42%), PM10 (8.59%), Pb (0.06%), Hg (0.00%)
Water Management	IF-EU-140a.1	(1) Total water withdrawn (2) Total water consumed, percentage of each in regions with high or extremely high baseline water stress	(1) 2,873 thousand cubic meters (2) 2,873 thousand cubic meters 100.0%
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	1
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	See page 22 of our Corporate Sustainability Report We have a long and successful track record of environmental leadership and innovation in our utility operations, starting with our pioneering efforts in 1969, when we introduced the first use of industrial air-cooled condensers in the western hemisphere at our energy complex in Wyoming. Using air-cooled condensing technology saves billions of gallons of water per year in this arid region with limited water resources. The U.S. Energy Information Agency lists that the average conventional coal power plant using water to cool the boilers consumes 78 gal/kwh. Black Hills Energy's water consumption rate at its coal-fired power plants using the air-cooled condensing technology consumes 0.097 gal/kwh resulting in an annual water savings of nearly 250 billion gallons. This provides cost benefits by not having to manage and discharge significant amounts of processed water to the environment and leaves this natural resource in place. Our natural gas combustion turbine fleet uses minimal amounts of water, and we have implemented additional innovative and protective water management measures. At the Pueblo Airport Generating Station, we manage wastewater with an evaporation pond. Rather than treat and discharge treated water to the Arkansas River, pollutants in the water settle out in the pond and evaporate in the atmosphere, returning our wastewater to the Earth's natural water cycle form. At the Cheyenne Prairie Generating Station, discharge water is sent to the City's wastewater treatment plant. This plant is located adjacent to our generation facility and requires adherence to stringent water limits set in the Industrial Pretreatment Water discharge permit issued to us. The discharge water goes through further treatment at the wastewater treatment plant before it is discharged to Crow Creek for downstream use.
Coal Ash Management	IF-EU-150a.1	(1) Amount of coal combustion products (CCPs) generated, (2) percentage recycled	(1) 114,817 metric tons (2) 0%. All coal ash is used for back fill in reclamation; however, according to SASB guidance, this process does not meet the definition for being recycled.
	IF-EU-150a.2	Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations	0 impoundments
Energy Affordability	IF-EU-240a.1	Average retail electric rate for (USD/kWh): (1) residential, (2) commercial, and (3) industrial customers	Colorado: (1) $0.1742 (2) $0.1244 (3) $0.1086 South Dakota: (1) $0.1367 (2) $0.1246 (3) $0.0851 Wyoming: (1) $0.1588 (2) $0.1245 (3) $0.0665
	IF-EU-240a.2	Typical monthly electric bill for residential customers for: (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	Colorado: (1) $94.14 (2) $194.06 South Dakota: (1) $77.14 (2) $142.68 Wyoming: (1) $81.26 (2) $146.02
	IF-EU-240a.3	(1) Number of residential customer electric disconnections for non-payment, (2) percentage reconnected within 30	(1) Colorado: 2,055 (2) 70% (1) South Dakota: 852 (2) 71% (1) Wyoming: 501 (2) 73%
	IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	See 10-K Report, Item 1A. Risk Factors. We offer a variety of programs to help our customers, including budget billing, energy efficiency programs and energy assistance.
Workforce Health & Safety	IF-EU-320a.1	(1) Total recordable Incident Rate (TRIR), (2) Fatality Rate, and (3) near-miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	See Billing and payments	Black Hills Energy for more information. See EEI Disclosure and See page 31 of our Corporate Sustainability Report (1) 1.53 (2) 0.0 (3) N/A
End-Use Efficiency & Demand	IF-EU-420a.2	Percentage of electric load served by smart grid technology	99.99%
	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	See page 21 of our Corporate Sustainability Report Colorado: 17,086,801 kWh South Dakota: 532,686 kWh Wyoming: 2,221,590 kWh
Nuclear Safety & Emergency Management	IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	N/A
	IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	N/A
Grid Resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	In the interest of security and to avoid setting disclosure precedence, this response will be unanswered.
	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), SAIDI inclusive of major event days, in minutes, (2) System Average Interruption Frequency Index (SAIFI), SAIFI inclusive of major event days, in minutes, (3) Customer Average Interruption Duration Index (CAIDI), and CAIDI inclusive of major event days, in minutes, inclusive of major event days.	(1) 61.560 Minutes 79.612 Minutes (2) 1.188 Minutes 1.188 Minutes (3) 61.012 Minutes 67.014 Minutes
Activity Metrics	IF-EU-000.A	Number of (1) residential, (2) commercial, and (3) industrial customers served; other	See Black Hills' 10-K for fiscal year ending Dec 31, 2023 (1) 190,776 (2) 30,491 (3) 1,073
	IF-EU-000.B	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	See Black Hills' 10-K for fiscal year ending Dec 31, 2023 (1) 1,438,500 MWh (2) 2,074,400 MWh (3) 2,094,800 MWh (4) 150,900 MWh (5) 1,317,000 MWh
	IF-EU-000.C	Length of (1) transmission and (2) distribution lines	Colorado Electric: (1) 599 miles (2) 3,213 miles South Dakota Electric: (1) 1,232 miles (2) 2,616 miles Wyoming Electric: (1) 86 miles (2) 1,940 miles
	IF-EU-000.D	(1) Total electricity generated, (2) percentage by major energy source, and (3) percentage in regulated markets	See Black Hills' 10-K for fiscal year ending Dec 31, 2023. For deregulated market, see page 12 & 13 of Black Hills' 10-K Coal: (1) 2,683,400 MWh (2) 49.8% (3) 31.0% Natural Gas: (1) 2,021,400 MWh (2) 37.6% (3) 53.3% Wind: (1) 678,500 MWh (2) 12.6% (3) 12.2% Petroleum: (1) 0 MWh (2) 0% (3) 3.5%
	IF-EU-000.E	Total wholesale electricity purchased	2,276,400 MWh

2023 Sustainability Accounting Standards Board (SASB) Mapping Report
Black Hills Energy
SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS
Gas Utilities & Distributors

Topic	SASB Code	Accounting Metric	Response
Energy Affordability	IF-GU-240a.1	Average retail gas rate for (1) Residential, (2) Commercial, (3) Industrial customers, and (4) Transportation services only	Arkansas: *Unknown customer bills are generated using volumes in CCF)* (1) $17.22/Mcf (2) $12.54/Mcf (3) $7.72/Mcf (4) $1.29/Mcf Colorado: (1) $12.16/Dth (2) $11.81/Dth (3) $8.02/Dth (4) $1.55/Dth Iowa: (1) $13.20/Dth (2) $10.74/Dth (3) $8.26/Dth (4) $0.38/Dth Kansas: (1) $14.38/Dth (2) $11.44/Dth (3) $4.16/Dth (4) $0.46/Dth Nebraska: (1) $15.06/Dth (2) $12.23/Dth (3) $6.94/Dth (4) $1.27/Dth Wyoming: (1) $13.02/Dth (2) $10.03/Dth (3) $7.27/Dth (4) $1.83/Dth
	IF-GU-240a.2	Typical monthly gas bill for residential customers for (1) 50 MMBtu and (2) 100 MMBtu of gas delivered per year	Arkansas: (1) $72.95 (2) $133.56 Colorado: (1) $56.81 (2) $100.60 Iowa: (1) $59.64 (2) $100.94 Kansas: (1) $63.38 (2) $106.74 Nebraska: (1) $66.14 (2) $113.08 Wyoming: (1) $60.86 (2) $101.71
	IF-GU-240a.3	(1) Number of residential customer gas disconnections for non-payment, (2) percentage reconnected within 30 days	(1) Arkansas: 4,776 (2) 36% (1) Colorado: 1,035 (2) 37% (1) Iowa: 2,195 (2) 29% (1) Kansas: 2,214 (2) 36% (1) Nebraska: 3,932 (2) 32% (1) Wyoming: 1,071 (2) 21%
	IF-GU-240a.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	See 10-K Report, Item 1A. Risk Factors. We offer a variety of programs to help our customers, including budget billing, energy efficiency programs and energy assistance. See Billing and payments	Black Hills Energy for more information.
End-Use Efficiency	IF-GU-420a.2	Customer gas savings from efficiency measures by market	Arkansas: 154,303 Dth Colorado: 152,507 Dth Iowa: 21,946 Dth Wyoming: 16,042 Dth
Integrity of Gas Delivery Infrastructure	IF-GU-540a.1	Number of (1) reportable pipeline incidents, (2) corrective actions received and (3) notices of pipeline safety statutes	(1) 0 (2) 0 (3) 0
	IF-GU-540a.2	Percentage of distribution pipeline that is (1) cast or wrought iron and (2) unprotected steel	(1) 0 % (2) 1.09%* *Percentage reflects distribution mains and services, and includes unknown pipeline material.
	IF-GU-540a.3	Percentage of gas (1) transmission and (2) distribution pipelines inspected	See our ASA Disclosure (1) 2.21% of transmission system was inspected by in-line inspection methods; 0.026% by pressure testing; and 3.99% by internal/external direct assessment. Natural gas transmission pipeline inspection requirements are based on pipeline proximity to populated areas. Our service area is largely rural, and the ratio of transmission pipeline located in high consequence compared to total system miles is low. (2) 0% of distribution system was inspected by in-line inspection methods (this is not typically performed on the lower pressure distribution pipelines)
	IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	See page 19 of our Corporate Sustainability Report Our comprehensive, programmatic integrity management program monitors our natural gas pipeline systems and plans upgrades to our pipeline networks to enhance safety, improve system reliability and reduce or eliminate methane emissions. The program assesses risk and prioritizes the replacement and upgrading of pipeline to proactively replace vintage and at-risk materials while achieving our GHG emissions reduction goal. Integrity management involves comprehensive evaluations of all pipelines and aboveground equipment, including direct inspection of pipelines for leaks using state of the art technologies. Our GHG emissions reduction strategy includes: Pipeline replacement: We're continuing our multi-year investment plan to update older infrastructure with lower emissions pipeline and service line materials, and have committed to replacing all unprotected steel pipe with lower-methane material by 2035. Damage prevention: Our comprehensive damage prevention strategy increases system safety and lowers the potential for methane to be released from a damaged natural gas pipeline. By conducting outreach and education, we can help prevent pipeline hits and mitigate emissions. Renewable natural gas (RNG): We currently receive RNG from four facilities and are pursuing additional RNG opportunities. RNG, a carbon negative or neutral energy, has the potential to further reduce operational and customer natural gas GHG emissions. Expanded leak detection and surveying: By collecting detailed emissions data from our system, we can identify new opportunities for reductions. In addition to our regular system-wide leak surveying, we conduct additional leak surveys of our aboveground natural gas equipment to help determine fugitive emissions from our system. In 2020 we began surveying two additional states, Colorado and Nebraska, which joined Arkansas in our surveying program as required by the EPA Greenhouse Gas reporting program. The additional surveys we conducted helped us identify fugitive emissions from our system that otherwise would not have been found as quickly.
Activity Metrics	IF-GU-000.A	Number of (1) residential, (2) commercial, (3) industrial, and (4) transportation customers served	See Black Hills' 10-K for fiscal year ending Dec 31, 2023 (1) 871,930 (2) 84,917 (3) 2,179 (4) 157,367
	IF-GU-000.B	Amount of natural gas delivered to (1) residential customers, (2) commercial customers, (3) industrial customers, and (4) transferred to a third party	See Black Hills' 10-K for fiscal year ending Dec 31, 2023 (1) 60,100,000 Dth (2) 29,400,000 Dth (3) 5,700,000 Dth (4) 159,800,000 Dth
	IF-GU-000.C	Length of gas (1) transmission and (2) distribution pipelines	Arkansas (1) 875 miles (2) 5,317 miles Colorado (1) 152 miles (2) 7,290 miles Iowa (1) 173 miles (2) 2,938 miles Kansas (1) 339 miles (2) 3,096 miles Nebraska (1) 1,313 miles (2) 8,658 miles Wyoming (1) 1,201 miles (2) 3,618 miles

TCFD

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BLACK HILLS CORPORATION

2023 Task Force on Climate-related Financial Disclosures (TCFD) Index

Governance	
Describe the board's oversight of climate-related risks and opportunities.	Our Board oversees an enterprise risk management ("ERM") approach to risk management that supports our operational and strategic objectives. It fulfills its oversight responsibilities through receipt of quarterly reports from management regarding material risks involving strategic planning and execution, operations, physical and cybersecurity, environmental, social and governance ("ESG"), financial, legal, safety, regulatory, and human resources risks. While our full Board retains responsibility for risk oversight, it delegates oversight of certain risk considerations to its committees within each of their respective areas of responsibility as defined in the charter for each committee. Our Board oversees ESG and the governance committee oversees the reporting framework we use to track and monitor ESG progress. For more information on Board oversight, see our Corporate Sustainability Report and our current Proxy Statement.
Describe management's role in assessing and managing climate-related risks and opportunities.	Our management is responsible for day-to-day risk management and operates under our ERM program that addresses enterprise risks, including climate-related risks. The ERM program includes practices to identify risks, assess the impact and likelihood of occurrence, and develop action plans to prevent the occurrence or mitigate the impact of the risk. The ERM program includes meeting regularly with the risk owners, performing a formal annual review of material risks, quarterly reviews of top and emerging risks and quarterly reporting to our Board of Directors. Additionally, our internal audit department also partners with the ERM program to ensure top ERM risks are considered in the development of the annual internal audit plan. Climate-related risks and opportunities are also considered in our corporate strategic planning. This approach is also reflected in the alignment of our corporate planning and ESG/Sustainability functions in a dedicated department. This department works with leaders across the company to manage sustainability, including climate-related topics. Management of ESG includes our CEO, senior leadership team, an executive ESG Steering Committee chaired by the director corporate planning, sustainability & ESG, and a cross-functional sustainability working group. For more information, see our Corporate Sustainability Report.
Strategy	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	**Opportunities** Electric and natural gas utilities are uniquely positioned to realize climate-related opportunities. As market, technology and policy evolves, we have identified climate-related opportunities, including: *Energy Source:* Increased capital investment in low or no emissions technologies. Over the short, medium and long term, conversion or replacement of fossil fuel assets may occur to support the transition to lower carbon sources. Additionally, new generation to support the electrification of other sectors, including transportation, would provide further opportunity for capital investment over the medium to long term. *Products and Services:* Diversification of product and service offerings to meet customer demand. As customer needs and expectations evolve, we may be able to provide new products and services, including renewable offerings, behind the meter solutions, transportation decarbonization, smart grid technology and other innovation, generating new revenue streams. *Products and Services:* Increased capital investment in electric transmission and distribution systems to enable higher penetration of renewable energy. The energy transition may provide opportunity to invest in transmission and distribution software and hardware to meet customer demands for higher penetration of renewable energy sources, contributing to the decarbonization of generation capacity and demonstrating alignment with longer-term emissions reduction trends. **Risks** The nature of our business also subjects us to a climate-related risk, both stemming from physical risk and transition risk of climate change, over varying time horizons. Our risks include: *Physical – Acute:* Increased intensity and frequency of storms, resulting in increased likelihood of fire, wind and extreme cold temperature events. In the short and medium term, severe weather events, such as snow and ice storms (e.g., Storm Uri), fire, and strong winds could negatively impact our operations, including our ability to provide energy safely, reliably and profitably and our ability to complete construction, expansion or refurbishment of facilities as planned. Over the long term, unmitigated impacts of climate change may intensify these events or increase the frequency of their occurrence. *Transition – Policy:* Pricing of greenhouse gas (GHG) emissions. Policies such as a carbon or methane tax could increase costs associated with use of fossil fuel usage, resulting in higher operating costs including costs of energy generation, construction, and transportation. *Transition – Market:* Reduced customer demand for fossil-based energy. Risk of the transition to a low-carbon economy could result in shrinking customer demand for fossil fuel-based energy sources. This could come from increased use of behind the meter technology, such as residential solar and storage. *Transition – Reputation:* Difficulty accessing capital or insurance. Risk of investor pressure over climate risk, activist campaigns against coal producers, employee preferences to work for sustainable companies and consumers preference for renewable energy could impact our reputation and overall access to capital and/or adequate insurance policies. We are proactively responding to our short, medium and long term climate risks and opportunities, as discussed in our Corporate Sustainability Report. Additional information about our risks and opportunities can be found in our 10-K and other SEC filings.
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate-related risks and opportunities play a significant role in our overall strategy and planning for the future. Many of our business activities, capital investments and strategic initiatives are directly influenced by or complimentary to our response to climate risk or opportunities. Our Corporate Sustainability Report covers numerous examples of this impact throughout our company, including our commitment to a cleaner energy future, deployment of capital to replace natural gas pipeline with lower emitting materials and convert coal generation, damage prevention and leak detection programs, wildfire mitigation and use of water conservation technology. This approach also spurs development of customer solutions like Ready EV, which supports adoption of electric vehicles, and Green Forward, a the voluntary renewable natural gas and carbon offset program to help customers offset the carbon footprint associated with their natural gas usage. Additionally, we have significant opportunity for investment that enables a cleaner energy future, including renewables, battery storage, transmission and low carbon fuels. Our preferred Colorado Clean Energy plan calls for 400 MW of new clean energy resources by 2030. The electric transmission expansion project Ready Wyoming demonstrates the significant impact that climate-related opportunities can have on the company's future.
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	As described in our Risk Management response of this disclosure, we assessed our climate risks and opportunities in two climate scenarios, Strong Mitigation (1.5°C) and Business as Usual (4-5+°C), from multiple leading sources including the Intergovernmental Panel on Climate Change (IPCC) AR6 for assessing physical climate risk and the International Energy Agency (IEA) World Energy Outlook 2021 for transition risk. Based on this assessment, we may face greater acute physical climate-related risk in a Business as Usual (4-5+°C) future scenario due to projected increased intensity and frequency of extreme weather events. Conversely, our exposure to transition risk may be greater in a Strong Mitigation (1.5°C) scenario, with greater likelihood of policy, market and reputational risk. We are actively working to mitigate these risks of climate change and capitalize on climate-related opportunities to ensure our resilience in the energy transition. A strategic focus for Black Hills is to modernize and harden our utility infrastructure to meet customers' and communities' varied energy needs, ensure the continued delivery of safe, reliable and cost-effective energy and reduce GHG emissions. We utilize a multi-prong strategy to create a more resilient organization, including energy innovation, thoughtful utilization of resources and investments in renewable generation supported by reliable energy sources. See the Environmental Stewardship section of our Corporate Sustainability Report for additional information on our energy transition strategy, including a timeline for transforming our electric utilities' energy delivery and our roadmap to Net Zero by 2035 for our natural gas utilities.
Risk Management	
Describe the organization's processes for identifying and assessing climate-related risks.	Our ERM approach to risk management is an iterative process that identifies and assesses material risks involving strategic planning and execution, operations, physical and cybersecurity, ESG, financial, legal, safety, regulatory, and human resources risks. In 2021, we sought to enhance our integration of climate risk into our overall risk management. We utilized a third-party climate consulting firm to facilitate conversations with our management team to identify the climate-related risks and opportunities that may impact Black Hills Corp. Through this process, we discussed our top risks and opportunities and selected the highest priority ones to analyze further. We then conducted a climate-scenario analysis exercise, based on TCFD, to assess which of these risks and opportunities could be the most impactful to the company. We leveraged two climate scenario and an array of third-party data to complete a quantitative stress-test analysis of the potential impact of each risk and opportunity over time. These results fed into a comprehensive climate- risk roadmap. Climate-related risks were also mapped to our existing ERM framework and are regularly reviewed as part of our enterprise risk management process.
Describe the organization's processes for managing climate-related risks.	Management of climate-related risks is integrated into the company's overall approach to risk management and strategic planning. Climate-related risks identified through the ERM program or the strategic planning process have mitigation action plans in place to prevent or mitigate the impacts of the risks. Management regularly assesses the effectiveness of these programs while executing their oversight responsibilities. The programs are also subject to periodic Internal Audits.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate-related risks are part of our ERM process and are regularly reviewed and assessed. The ERM program includes practices to identify risks, assess the impact and likelihood of occurrence, and develop action plans to prevent the occurrence or mitigate the impact of the risk. The ERM program includes meeting regularly with the risk owners, performing a formal annual review of material risks, quarterly reviews of top and emerging risks and quarterly reporting to our Board of Directors. Additionally, our internal audit department also partners with the ERM program to ensure top ERM risks are considered in the development of the annual internal audit plan.
Metrics and Targets	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate-related metrics are tracked regularly throughout the organization and disclosed to the Board and our stakeholders, including regulators, governmental agencies and customers. Our Corporate Sustainability Report provides year over year company performance in many areas related to climate change, including GHG emissions, renewable energy, environmental compliance and water use. In 2020, we set climate goals to reduce GHG emissions. In 2023, we have reported a nearly one-third reduction in electric utility emissions intensity (relative to a 2005 baseline);and a 27% reduction in emissions since setting our net zero natural gas distribution system target in 2022.
Disclose Scope 1 and Scope 2 greenhouse gas (GHG) emissions, and the related risks.	Scope 1: 4,512,017 MT CO2e *Sources included: electric utility generating units, natural gas distribution system, natural gas gathering & boosting system, natural gas transmission system, SF6 emissions, natural gas company usage, company vehicles/corporate jet, and emergency generators for calendar year 2023.* Scope 2: 4,288 MT CO2e *Sources included: estimated emissions based on electrical usage data for calendar year 2023.*
Disclose Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Scope 3: 9,220,534 MT CO2e *Sources included: natural gas distribution customer usage, electric utility purchased power for sales, employee commuting, and business travel, for calendar year 2023.*
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Black Hill Energy has goals to reduce electric utility emissions intensity 40% by 2030 and 70% by 2040, based on a 2005 baseline. Emissions sources in the boundary for this goal include Scope 1 electric utility generating units and Scope 3 electric utility purchased power for sales. In 2023, we reported a nearly one-third reduction in emissions intensity. Our Corporate Sustainability Report details; current emission reductions and our plans to achieve our electric utility goals. We also have a goal to achieve Net Zero emissions for our natural gas utility by 2035. Emissions sources in the boundary for this goal include all Scope 1 emissions on our natural gas distribution systems, including fugitive emissions from pipeline mains and service lines, meters, transfer stations, system damages and system blow downs. Our Corporate Sustainability Report also details our roadmap to achieve our natural gas utility net zero goal.