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Kit Carson Electric Cooperative Selected as Finalist for \$95.6 Million Award from Empowering Rural America (New ERA) Program through the U.S. Department of Agriculture (USDA) Rural Utilities Service for Innovative Green Hydrogen Energy Project in New Mexico

Funding award to advance project repurposing wastewater to generate green hydrogen clean energy; believed to be first end-to-end clean powered green hydrogen production plant in the U.S.

Taos, New Mexico – The Kit Carson Electric Cooperative (KCEC) has announced it is a finalist for a \$95.6 million funding award from the New ERA Program through the Rural Utilities Service (RUS). The funding is for the KCEC Questa Green Hydrogen Project, an innovative clean energy project benefiting the entire KCEC service territory in northern New Mexico while repurposing reclaimed water from a closed mine.

“This project’s success sends a clear message: New Mexico is, and will continue to be, a national leader in clean hydrogen,” said Gov. Michelle Lujan Grisham. “Not only will this facility substantially upgrade Northern New Mexico’s energy resilience, but it will also provide hundreds of jobs to our state’s rural communities.”

"I worked hard to pass the transformative clean energy investments in the Inflation Reduction Act so we could achieve our ambitious climate goals while creating good-paying careers and substantially lowering utility costs for hardworking New Mexicans," said Senator Martin Heinrich. "This includes the new Empowering Rural America Program that aims to dramatically expand clean power generation and delivery to rural communities like the ones in Northern New Mexico served by the Kit Carson Electric Coop. I'm pleased to see Kit Carson's application for this program advance. I will continue working to deliver strong investments to communities all across our state to build a cleaner, healthier, and more affordable energy future."

Today’s funding announcement is in addition to a \$500,000 award KCEC received from the United States Department of Energy earlier this year to fund planning and safety studies for the proposed green hydrogen project.

“By moving substantially closer to fully funding this important and innovative project, our community has proven we can tackle big goals when we work together,” said Bobby Ortega, president of the KCEC Board of Trustees.

About the KCEC Questa Green Hydrogen Project

The Project will create the production, infrastructure, and adoption of clean hydrogen in targeted communities of New Mexico, specifically in Taos County (the Village of Questa and Town of Taos), and two federally recognized Tribes of Native American Pueblo People – Picuris Pueblo and Taos Pueblo. As part of the planned project, each of these communities will have custom green hydrogen facilities and corresponding renewable energy generation technology within their borders.

Once complete, the KCEC Questa Green Hydrogen Project will signify a leap forward in actualizing green hydrogen generation. The project includes utilizing solar generation to power facilities, co-siting facilities alongside closed mine Superfund wastewater treatment plants, and creating long-duration (up to 16 hours) energy storage technology. The project will also stimulate jobs and new economic impact for the Village of Questa, NM. Once completed, the project will transform KCEC's energy infrastructure and exponentially increase system resiliency. The National Renewable Energy Laboratory (NREL) led and conducted the feasibility study of the green hydrogen project in conjunction with KCEC.

The awarded project in Village of Questa, NM (population 1,742 @ 2020 census) could serve as a blueprint for others to combine clean energy transition projects with local economic development stimulus. The project will be sited at some of the most economically challenged communities in the U.S., including independent Tribal lands.

Benefits to Northern New Mexico

The KCEC Questa Green Hydrogen Project will benefit Northern New Mexico in multiple ways including:

- Reduces greenhouse gas emissions via first end-to-end clean powered green hydrogen plant
- Creates brownfield to greenfield land redevelopment
- Brings economic development to areas in need of economic improvement
- Build's on KCEC's microgrid resiliency and success of being 100% daytime solar-powered and one of the cleanest power cooperatives in the U.S.

"I am grateful to KCEC for getting this award," said Village of Questa Mayor John Ortega. "This is a major step in redefining Questa from an old mining community into a new green energy community. This will also start to redefine our post mining economy and bring much needed jobs as well as potential tax revenue to the Village of Questa. This is the culmination of several years of hard work and great partnerships."

Project planning has been underway for three years and has benefited from efforts and endorsements from multiple stakeholders, including:

- New Mexico Governor Michelle Lujan Grisham
- U.S. Senators Martin Heinrich and Ben Ray Luján
- U.S. Representative Teresa Leger Fernandez
- Village of Questa, NM
- Town of Taos, NM
- Picuris Pueblo and Taos Pueblo
- KCEC and its Board of Trustees
- Questa Economic Development Economic Fund Board
- Guzman Energy

"This is a big deal for a collection of small-town communities," said KCEC CEO Luis A. Reyes Jr. "KCEC is extremely grateful to the USDA, RUS, our elected officials and community groups who have shown it is

possible to progress multiple important goals at once with a big idea that brings our communities brighter, more resilient futures. This project is transformative as it ushers in the next generation of renewable electric generation technology that addresses the country's growing energy needs."

KCEC continues to contribute to the state of New Mexico's objective to achieve a statewide reduction in greenhouse gas emissions of 45% by the year 2030. The KCEC Questa Green Hydrogen Project along with other KCEC renewable energy sources will contribute to KCEC's goal to be over 70% renewable energy powered by 2028, and ultimately 100% renewable energy powered as one of the cleanest energy cooperatives in America.

KCEC has worked methodically on its energy transition strategy over the past decade. In 2016, the KCEC Board of Trustees voted unanimously to aim for 100% daytime solar by 2022 while lowering and stabilizing electric rates to its members. Both goals have been achieved as part of KCEC's partnership with wholesale power provider Guzman Energy. KCEC and Guzman Energy continue to work together on KCEC's plans for a resilient, distributed, next-generation power system. Currently, KCEC operates 41 MW of distributed solar resources and 16.25 MW of Battery Energy Storage Systems (BESS) across its service territory.

About Kit Carson Electric Cooperative

Formed in 1944, Kit Carson is a member owned electric distribution cooperative in northern New Mexico and is the second largest cooperative in the state. Kit Carson is one of 16 electric cooperatives that serve rural New Mexico communities, serving nearly 30,000 members in Taos, Colfax and Rio Arriba counties. To learn more about Kit Carson, visit www.kitcarson.com.

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