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Kit Carson Electric Cooperative Awarded \$231 Million for Construction of 104 MW of Renewable Energy Generation from Hydrogen and Solar Facilities with Battery Energy Storage Systems in Northern New Mexico

Funding Awarded by US Department of Agriculture Empowering Rural America Program

Taos, NM - January 13, 2025 - Kit Carson Electric Cooperative (KCEC) has received \$231 million in investment funding for green hydrogen-driven power generation. The new renewable energy facility will enhance power distribution system resiliency for the entire KCEC service area.

“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.”

About the [New Era Investment’s Expected Impact for KCEC](#)

- Funds a project that will generate 104 MW of energy from 100% renewable resources and provide a solution for long-duration energy storage
- New power generation and storage facilities expected to power approximately 25,000 homes
- Construction is expected to generate roughly \$298 million in economic benefits for rural communities served by KCEC and create up to 350 local jobs during construction
- Clean energy project aims to reduce climate pollution by nearly 98,000 tons each year, equivalent to over 20,700 gasoline-powered vehicles annually This project will serve as a direct economic driver for KCEC’s communities and the Native American tribes within its service territory
- Total tax revenue impact exceeding \$44 million over the next five years

This latest RUS grant will support the already announced [KCEC Questa Green Hydrogen Project](#).

The project components include using solar generation to power green hydrogen facilities, leveraging repurposed wastewater from a former mining site and creating long-duration energy storage technology

that can last up to 16 hours. The new power generation and storage facilities will transform KCEC's energy infrastructure, significantly enhancing system resilience and reliability. The project is also believed to be the first end-to-end clean powered green hydrogen production plant in the U.S.

"This USDA RUS announcement awarding KCEC \$231 million in funding is among the most significant milestones in the coop's history. This financial award will bring to fruition the first green hydrogen project of this type done by an electric cooperative in the nation," said KCEC Board Chairman Bobby Ortega. "The KCEC Board and CEO have an innovative vision for the coop's future while delivering affordable, reliable clean energy to our members today and well into the future. This New ERA funded project not only allows us to achieve this but also will bring the economic opportunities needed in the Village of Questa, NM and surrounding communities."

"We are thrilled and extend our gratitude to the USDA for granting this opportunity to our rural electric cooperative in northern New Mexico. This will be a game-changer for KCEC, ensuring a reliable power supply even during challenging conditions and allowing first responders and the community to access life-saving power during emergencies such as wildfires or extreme natural disasters," said KCEC CEO Luis A. Reyes Jr.

KCEC has worked methodically on its energy transition strategy for 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. The partnership between the coop and Guzman Energy provides KCEC with the flexibility to undertake projects of the magnitude of the Questa green hydrogen project. Guzman Energy and KCEC continue to work together on KCEC's plans for a resilient, distributed, next-generation power system. Currently, KCEC operates 42 MW of distributed solar resources and 16.25 MW of Battery Energy Storage Systems (BESS) across its service territory.

The State of New Mexico developed an Energy Transition Act (ETA) to position New Mexico as a national leader in clean energy. KCEC has been actively expanding its renewable energy portfolio to meet ETA requirements ahead of scheduled deadlines. Upon completion of the KCEC Questa Green Hydrogen project, KCEC will have substantially expanded its renewable energy footprint, making it one of the cleanest cooperatives in America and creating a clean energy transition blueprint for others to follow.

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.