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Kit Carson Electric Cooperative Solar & Hydrogen Project in Questa Continues to Move Forward in 2026

Questa, N.M. January 8, 2026 — Kit Carson Electric Cooperative (KCEC) today reaffirmed that the planned Questa Hydrogen and Solar Facility remains on track, following major planning, safety, engineering, and environmental progress achieved in 2025. With critical milestones completed and additional steps now underway, the project is moving toward construction readiness as development continues into 2026.

KCEC and local leaders began exploring this initiative to strengthen long-term reliability in Northern New Mexico while responding to growing energy demand and member priorities. The project is designed to provide up to 41 hours of long-duration energy storage, enabling solar energy to be stored and delivered when needed most, including overnight and during severe winter events. When complete, the facility is expected to generate enough energy annually to power approximately 25,000 homes, supporting grid stability and helping ensure a more resilient energy future for the region.

Over the past year, KCEC has achieved substantial progress in securing funding and advancing project planning. In January 2025, KCEC secured approximately \$231 million through the USDA Rural Utility Service's New ERA program, supporting the development of 104 MW of renewable energy capacity, including the hydrogen facility and associated solar arrays. In April 2025, KCEC initiated a formal Hydrogen Safety Assessment with ENTRUST Solutions Group to help develop the safety protocols and risk management systems required for safe operation. KCEC completed water testing through New Mexico State University to verify suitability and support responsible operational planning as the project advances. KCEC also finished vetting major project technologies, including electrolyzers, hydrogen storage systems, compression technology, and fuel cell and generator components, to ensure the selected solutions aligned with federal standards and Rural Utilities Service requirements.

"With funding secured and major milestones completed, we're moving forward with the project that will strengthen long-term reliability for Northern New Mexico. The Questa Hydrogen and Solar Facility is designed to deliver long-duration energy storage and help ensure our members have resilient, dependable power, especially during extreme emergency events and severe winter conditions," says Luis A. Reyes, CEO of KCEC.

Key design and regulatory milestones were also reached. Preliminary hydrogen site layouts for Questa, Taos, and Picuris were completed in September 2025, and Environmental Assessments for all three sites were submitted to USDA Rural Utility Service on November 25, 2025. That submission represents a major step toward federal review and final approvals, and it positions the project for continued progress in 2026.

KCEC is supporting the Village of Questa in planning for the solar array, a key component of the project's long-term local benefits. Solar modeling and analysis for the proposed array were completed in fall 2025. The solar facility is proposed for Village ownership and is intended to generate ongoing returns through power sales and associated tax revenues that support both local and state government revenues. The 50 MW solar array continues to move forward with a focus on finalizing funding and securing key approvals. Once approvals are finalized, the project will proceed to bid vendors, contractors, and materials in preparation for construction.

In parallel, the hydrogen hub project is advancing toward implementation, contingent on final funding, approvals, and procurement. Following vendor selection, the project is expected to enter the 2026–2027 construction phase, including initial site modifications, installation of electrolyzers for hydrogen production, development of hydrogen storage systems, and deployment of fuel cells that convert hydrogen back into electricity for grid support. Operational testing is targeted for 2028, with rigorous safety verification required before full commissioning. Once complete, the hydrogen hub is expected to strengthen overnight reliability and expand regional capacity to meet growing energy demand.

The project represents a major economic opportunity for Questa and the region. It is expected to create more than 350 construction jobs and sustain numerous long-term operational roles. An independent analysis estimates a \$298 million regional benefit in the first five years, including roughly \$206 million directly benefiting Questa. The project would also generate about \$44 million in new tax revenue.

This funding could support expanded public safety staffing, a full-time EMS and firefighting workforce, and an additional police force in a wildfire-prone area. The funding can also support infrastructure and road upgrades for the Village. The proposed Village-owned 50 MW solar facility would further provide sustained returns through gross receipts taxes during construction and ongoing revenue from electricity sales.

Overall, the Questa Hydrogen and Solar Facility is expected to strengthen community resilience during emergencies by helping the region better prepare for wildfire-related outages and severe weather disruptions. Long-duration storage can reduce the risk of extended blackouts during critical events, improving continuity for public safety operations and ensuring essential services remain functional. The facility also supports members who rely on electricity for medical devices, refrigeration for medicine, and other power-dependent health needs, helping households maintain safer, more stable access to energy during emergencies when outages can become life-threatening.

Community engagement has been ongoing and central to the project’s development. KCEC has held multiple community meetings across the co-op’s five districts and in the communities where facilities are planned, ensuring residents can ask questions and provide input. A frequently asked questions (FAQ) sheet was created directly from these meetings and distributed both to attendees and the full co-op membership to improve transparency and understanding. Outreach has also included presentations to government officials, tribal governments, and the New Mexico Legislature, highlighting the project’s economic benefits, job-creation projections, and potential tax revenues for Questa.

KCEC anticipates reaching full construction readiness by mid-2026, with the project currently projected to break ground in **June 2026**. The hydrogen hub is targeted to be operational by the **second quarter of 2028**, following construction, system integration, and extensive safety verification and testing. The proposed Village of Questa-owned **50 MW solar array** is also expected to begin construction in **2026**, with a projected completion date of **November 2027**, helping deliver long-term local returns while supporting regional energy stability and economic growth.

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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.