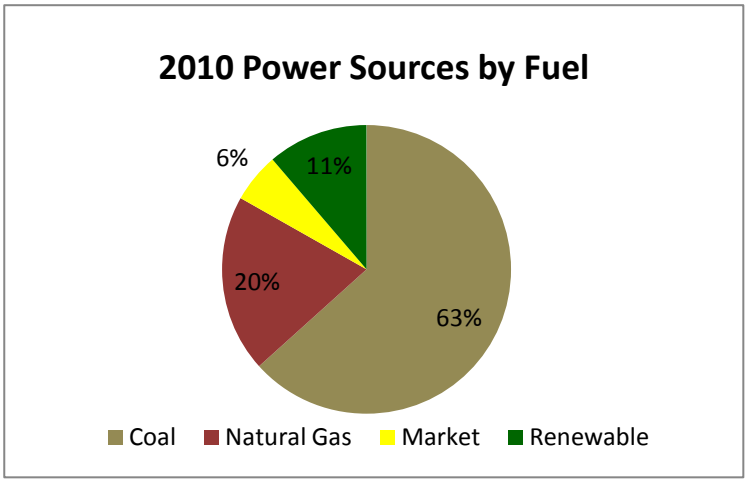
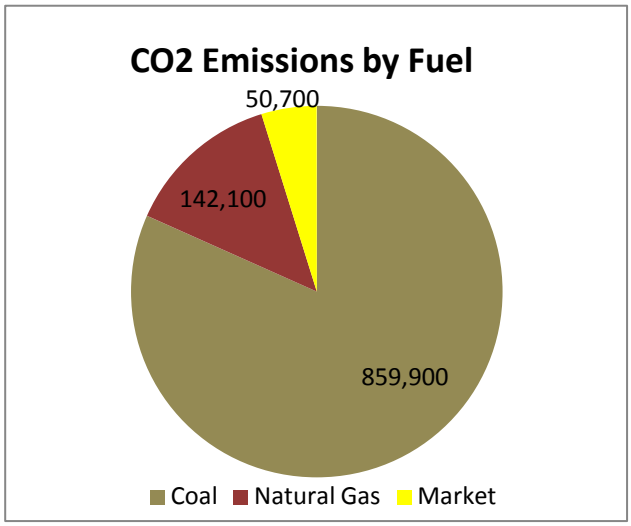
HOLY CROSS ENERGY

2010 CO2 Emissions Report

Holy Cross Energy is a Colorado rural electric association serving approximately 54,680 meters in Eagle, Garfield, Gunnison, Mesa, and Pitkin Counties. HCE has long term power supply commitments through contracts with Public Service Company of Colorado (a subsidiary of Xcel Energy) and Western Area Power Administration. Additional wholesale resources include economy purchases from Black Hills Power and several small renewable energy generation facilities within HCE's service territory. HCE is an 8% owner of Comanche Unit 3, a 750 MW super-critical, coal-fired generating unit located in Pueblo, CO. This unit became operational in July of 2010 and is expected to provide about 1/3 of HCE's energy needs for 2011. The portfolio of resources used to serve HCE's customer load in 2010 was composed of 63% coal, 20% natural gas, 11% renewable sources such as wind and hydroelectric generation, and 6% market purchases which could not be identified with a high level of certainty.



Holy Cross purchased 1,234,518 MWh from wholesale suppliers and provided 1,184,048 MWh to serve consumers' loads. The difference includes transmission and distribution line losses as well as electricity used in company offices. The CO_2 emissions associated with electric power generation used to serve HCE's customers in 2010 totaled approximately 1,052,700 short tons. Emissions grew by about 4.4% from 2009 and sales grew by 0.1%. Emissions were about 10% higher than 2005 levels while sales were 15% higher. After accounting for line losses and the sales which have no associated emissions (under the WPP & LREP programs), the average CO_2 intensity for energy sales during 2010 was 1.81 lb/kWh.



HCE offers two optional programs to support renewable energy generation in Colorado: the Wind Power Pioneers program and the Local Renewable Energy Pool. The Wind Power Pioneers program gives HCE consumers the option of purchasing power from wind farms on the plains of eastern Colorado in 100 kWh blocks. There were 2,313 participants in this program who purchased a total of 21,175 MWh in 2010. The Local Renewable Energy Pool provides power produced by HCE members who operate small-scale hydroelectric and photovoltaic facilities in 75 kWh blocks. 306

members purchased about 439 MWh under this program. In addition, HCE's members had installed 293 small renewable energy generators (such as photovoltaic panels) by the end of 2010. The 1,623 kW of distributed generation produced about 2,210 MWh during the calendar year.

Colorado passed a Renewable Energy Standard (RES) in 2004 by voter initiative that required Investor Owned Utilities (IOUs) to supply 10% of their retail electric sales from renewable sources by 2020. In 2007, House Bill 1281 expanded the mandate to 20% by 2020 and added a requirement that electric cooperatives supply 10% of retail sales from renewable sources. However, not all renewable sources of electricity are eligible under the RES, only sources that can be documented with registered Renewable Energy Credits can be used to satisfy the RES Requirements.

The required percentages of renewable energy increase over time. HCE was required to supply 1% of retail sales from renewable sources in 2010, or the equivalent of 11,841 MWh. HCE held RECs equivalent to 3.9% of retail sales for 2010, primarily purchased through Public Service Company of Colorado from various renewable generators and net-metered distributed renewable generators within HCE's service territory. This excludes those RECs associated with sales to WPP/LREP customers.

Year	Purchases (MWh)	Total Sales (MWh)	WPP/LREP Sales (MWh)	Emissions (Short tons)
2010	1,234,518	1,184,048	21,615	1,052,700
2009	1,224,955	1,191,298	22,344	1,036,400
2008	1,244,183	1,183,035	19,191	1,008,200
2007	1,173,203	1,117,793	11,761	1,002,300
2006	1,135,948	1,081,922	10,457	1,049,000
2005	1,080,417	1,032,137	10,501	955,700

This information is based on the best information available at the time the report is issued. This report may be updated to reflect changes in the information used to calculate carbon dioxide emissions associated with energy sold to HCE consumers.