THE CLEAN ECONOMY IN SOUTH DAKOTA

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ATLAS PUBLIC POLICY

800	$312M	5.5 GW	68%
Announced Clean Manufacturing Jobs	Announced Clean Manufacturing Investment	Clean Power Capacity	Power Capacity That's Clean

- South Dakota has the second-highest share of clean electricity generation in the country, led by wind and hydropower. The state has 5.5 gigawatts (GW) of clean power and storage capacity, an estimated $5.4 billion in investment and enough to power about two million homes.
- South Dakota's clean power projects deliver significant economic benefits, generating approximately $42 million in tax revenue and $31 million in landowner payments annually, and are creating high-paying careers.
- Clean energy manufacturing is growing.. South Dakota has had about $312 million in clean energy manufacturing investment since 2007, accounting for at least 800 announced manufacturing jobs.

South Dakota at a Glance

South Dakota is known for its vast natural resources, from agriculture to minerals to solar, wind, and hydro energy potential. The state has the second-highest share of clean electricity generation of any state (led by wind and hydropower) and is one of the top states for ethanol production. There is also notable potential for new investments in critical minerals, geothermal resources, and solar resources. South Dakota also boasts relatively low average electricity prices. The state still consumes more energy than it produces, making the case for future investment in its existing resources.

Data is from the Clean Economy Tracker unless otherwise noted. Data as of April 2026. Questions? Reach out: info@cleaneconomytracker.org. See the full methodology here.

As of the end of 2024, the state supported nearly 17,300 realized clean energy jobs[1] across manufacturing, power generation, the grid, and energy efficiency, which can continue to grow with new investments.

As the second-ranked state for business friendliness in the county in 2025, according to CNBC, South Dakota has invested in incentives to expand and draw new industries to the state and build a skilled workforce. These include programs such as Reinvestment Payment Program tax incentive, a statewide Workforce Development Program, and other financing support programs.

A Leader of Clean Power Generation

About 81 percent of the electricity produced in South Dakota in 2025 was from clean power sources, second only to Vermont. About 57 percent of the electricity produced comes from wind power alone—second to Iowa—and another 22 percent comes from hydropower.

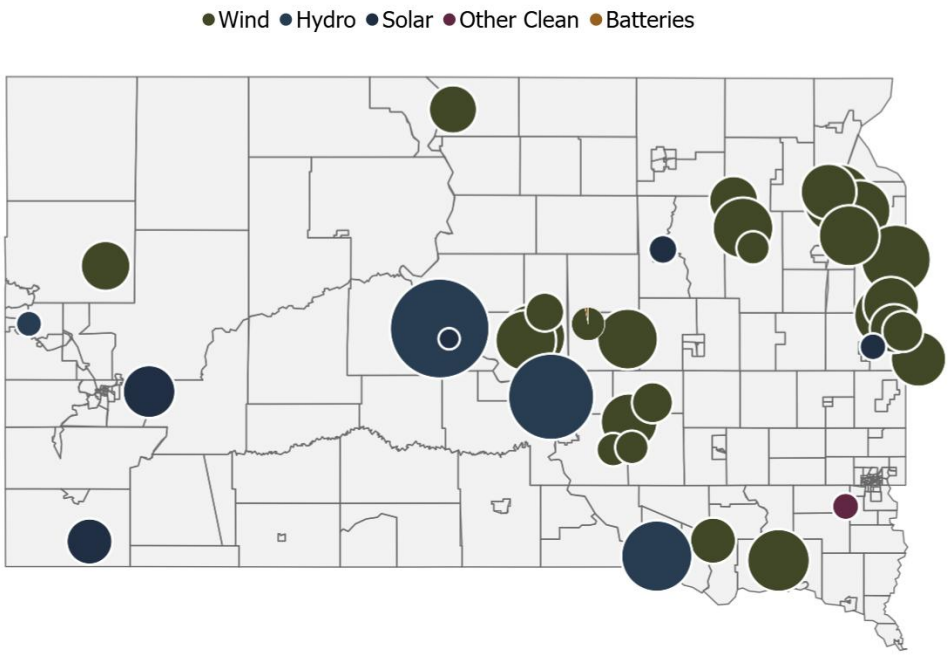
South Dakota Runs on Wind Power

South Dakota has about 5.5 GW of operational, under construction, and planned clean power and storage capacity,[2] mostly from wind (Figure 1). South Dakota's clean power capacity is mostly concentrated along the Missouri river, and in the central and northeast regions of the state. The American Clean Power Association estimates that clean power projects in the state generate an estimated $42 million in tax revenue and $31 million in landowner payments every year. The Dakota Range Wind Project is the largest in the state, with nearly 460 megawatts (MW) of generating capacity across three project phases. The first two phases of the project alone are expected to contribute nearly $100 million to the local economy via tax revenue and landowner payments over time.

[1] These clean jobs are defined by the U.S. Energy & Employment Report, which has a year-long lag between the data and reporting time.

[2] Operational facilities include projects operating, temporarily out of service, or on standby/backup. Power capacity refers to operational, under construction, and planned facilities. Retired and canceled facilities are not included.

Figure 1. Clean Power Plant Locations



The size of a power plant's bubble is proportional to the nameplate capacity.

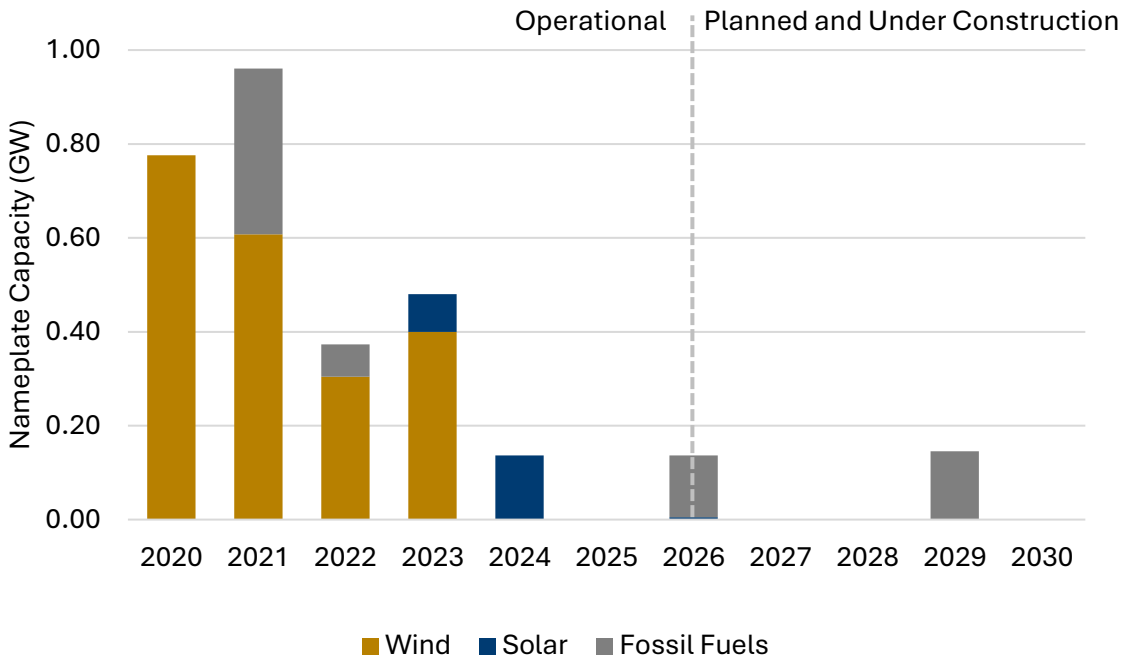
The total clean power and storage capacity in the state is the equivalent of about $5.4 billion of capital investment and two million homes powered.[3] Facilities operational, planned, and under construction are estimated to support about 3,600 construction jobs and 170 operations jobs.[4]

Wind capacity alone has grown nearly five-fold between 2003 and 2023. With this growth, careers in energy are expanding rapidly and providing high wages, with one technical college program seeing 100 percent job placement within just six months. However, after a surge of investment in wind and solar between 2019 and 2023, new projects have fallen off (Figure 2). Increasing grid capacity is a key constraint to further clean power development, creating both a challenge for the state and opportunity for future local investment and jobs.

[3] Investment (capital expenditure) is estimated by multiplying the nameplate capacity of each project by CAPEX multipliers. Estimated homes powered is calculated using the national average capacity factor for each technology and national average energy use per home. These multipliers are sourced from the National Laboratory of the Rockies' 2024 Annual Technology Baseline and the U.S. Energy Information Administration.

[4] Estimated clean power jobs may not correspond to actual past or future jobs at each site but are an approximation. Jobs are estimated using multipliers derived from the National Laboratory of the Rockies' Jobs and Economic Development Impacts models and the Decarbonization Employment and Energy Systems model.

Figure 2. Power Capacity Additions Over Time

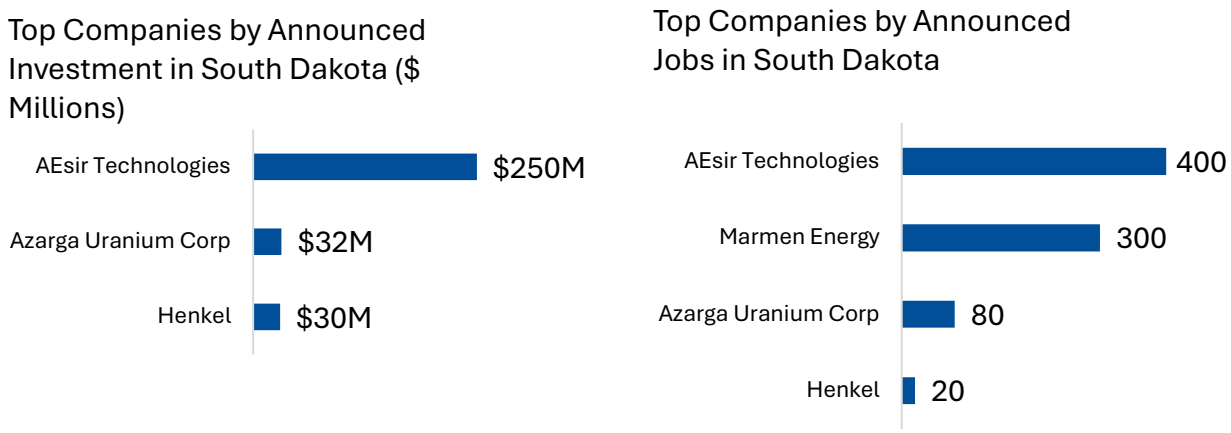


Year represents the year a generator became operational or is expected to become operational.

Building Local Supply Chains and New Industries

South Dakota has seen about $312 million in clean energy manufacturing investments since 2007, accounting for at least 800 announced jobs. Most of the investment is from the $250 million AEsir Technologies nickel-zinc battery manufacturing facility in Rapid City, which is intended to support data center loads and has been touted by state and local officials as an exciting new high-tech opportunity for the region. There has also been some investment in uranium extraction, electric vehicle components, and wind manufacturing, see Figure 3.

Figure 3. Leading Manufacturing Companies in South Dakota



Some additional industries could provide new economic opportunities for the state. While South Dakota has notable critical mineral resources, few deposits identified to date have been economical to mine. There has been renewed interest in exploring these resources as demand for critical minerals for energy, electronics, and defense applications continues to grow. South Dakota is also supporting the emerging clean hydrogen industry as part of the Heartland Hydrogen Hub across Minnesota, Montana, North Dakota, South Dakota, and Wisconsin; however, threats of funding cuts and then announced reinstatement of funds from the federal government has caused uncertainty for the project. Statewide incentives and workforce development programs are aimed at tapping into the state's potential for future investment across a number of emerging industries.