

NEWS RELEASE



301 West 13th Street • HAYS, KS 67601

For release:
Dec. 16, 2010

Media contact: Cindy Hertel
Office: (785) 623-3341
Cell: (785) 259-4822
chertel@sunflower.net

Sunflower Receives Air Permit for Holcomb Expansion Project

895-megawatt unit will provide baseload energy and jobs

Hays, Kan.—Dec. 16, 2010— Sunflower Electric Power Corporation was notified today that the Prevention of Significant Deterioration air quality construction permit for its 895-megawatt Holcomb expansion project was approved by Acting Secretary of the Kansas Department of Health and Environment John Mitchell.

This decision, which concurs with the recommendation by the KDHE's technical staff, allows Sunflower to proceed with construction of a coal-based unit that will provide both necessary baseload energy and an economic boost to the state of Kansas. Sunflower is owned by six distribution cooperatives that serve 400,000 members throughout central and western Kansas.

The \$2.2 billion project will take approximately 52 months to build and generate an estimated 5,900 job years (one job for one year) throughout the state of Kansas, paying \$250 million in labor income and generating \$400 million in total income. During each year of operation, the unit will generate more than 260 jobs statewide, paying \$17 million in labor income and almost \$200 million in total income.

"This state-of-the art project is good for Kansas ratepayers, Kansas workers, and Kansas businesses," said Earl Watkins, president and CEO of Sunflower. "We have been faced with many challenges in this endeavor, and we appreciate the support we have received statewide. In addition, we appreciate the professionalism and expertise of the KDHE technical staff members, who have worked long and hard to make certain the air construction permit for our project protects the environment and follows strict state and federal requirements."

Sunflower initially filed an application in 2006 for three 700-megawatt units. In 2009, as a result of a bi-partisan compromise, Sunflower was able to resume the permitting process for the current 895-megawatt project. Since 2006, the KDHE has hosted seven public hearings and had more than 200 days open for public comments.

"Sunflower has a long and proud record of being an environmental steward," Watkins said. "In pursuing this project—like all of our efforts—we have been transparent, we have practiced due diligence, and we have adhered to all environmental requirements. The decision by the KDHE secretary and staff once again confirms it. It is time to move forward with this project that Kansans justly deserve."

What Others Are Saying:

"Positioning Kansas for job growth requires being visionary and balancing the three E's—energy, the economy, and the environment. The Holcomb expansion project will generate needed baseload energy using the latest technology and will boost the economy in the process. It's a great example of balancing the three E's." **Gov.-elect Sam Brownback**

"I am very pleased with the Kansas Department of Health and Environment's decision to approve Sunflower's bid for an air quality permit. The new supercritical unit at the Holcomb Station will put to use the most cutting-edge technology, making it one of the most efficient in the world. Sunflower has diligently proven its commitment to environmental stewardship in this project and throughout its operations. Recognizing our need for more baseload energy and the good jobs that come with the construction and operation of the new unit, this is an exciting development for Sunflower, for Holcomb and for the entire state." – **Senate President Steve Morris**

"Balancing the state budget is like balancing your checkbook: it's difficult to do if the money's not there. At a time when Kansas, along with most states, is facing a deficit, the Holcomb expansion—an environmentally-sound project that generates annual state and local tax dollars of more than \$41 million—is welcome news." – **House Speaker Mike O'Neal**

A build-out of the already existing Holcomb Station is a win-win project for 400,000 cooperative members in central and western Kansas. The Holcomb expansion will not only provide needed baseload energy and jobs, it will also create a revenue stream by maximizing the current site, thereby keeping energy costs as low as possible. Such visionary projects are essential to preserving the way of life we value. – **Sen. Janis Lee**

"Expansion of the Sunflower plant brings the latest and best pollution control technology while creating much needed jobs. Even better, the power lines

constructed to move the power should actually help us expand wind energy in Kansas." – **State Treasurer Dennis McKinney**

"As the president of the Building and Construction Trades Council and business manager of Plumbers and Pipefitters Local 441, every day I hear from members who are out of work. As the largest construction project in the state, the Holcomb expansion will provide labor income totaling more than \$400 million for our members. I assure you this news will make Christmas merrier for many of our members." – **Rich Taylor, president of the Building and Construction Trades Council and business manager of Plumbers and Pipefitters Local 441**

"There is a direct correlation between a growing economy and access to reliable, affordable energy. Kansans have the will and heart to revitalize the state's economy if given the means to do so. The Holcomb expansion project will provide needed baseload energy, creating a friendly environment for business." – **Kent Beisner, president and CEO of the Kansas Chamber**

"Sunflower has been a good neighbor, providing affordable energy and good jobs that allow our region to prosper. As good corporate citizens they have supported our economic development endeavors, and this project will bring even more economic growth to Garden City. Many people have worked long and hard to support this project, and we're extremely pleased that the permit has been issued." – **J.R. Behan, mayor of Garden City**

"The Kansas Legislative Policy Group is an organization of central and western Kansas counties that looks forward to a project that provides a sensible approach to providing baseload power and renewable energy opportunities. We also look forward to the positive impact the jobs, taxes, and new opportunities will have on our counties for decades to come." – **John Miller, KLPG president**

"This is an exciting time for Finney County and Kansas. The Holcomb expansion project will not only generate baseload energy and more jobs, creating an even higher quality of life for Kansans, it will also create a new opportunities for the advancement of renewable energy. As new technologies emerge, the United States will become a leader in diversified energy production, which will help us attain energy independence and revive our economy." – **Eric Depperschmidt, president of Finney County Economic Development Corp.**

About Sunflower—Sunflower Electric Power Corp. is a regional wholesale power supplier that operates a 1,275 MW system of wind, gas, and coal-based generating plants and a 2,300-mile transmission system for the needs of its six

member cooperatives who serve more than 400,000 customers living in central and western Kansas. Visit Sunflower's website at <http://www.sunflower.net>

Sunflower's member cooperatives include Lane-Scott Electric Cooperative, Dighton; Pioneer Electric Cooperative, Ulysses; Prairie Land Electric Cooperative, Norton; The Victory Electric Cooperative Association, Dodge City; Western Cooperative Electric Association, WaKeeney; and Wheatland Electric Cooperative, Scott City, Kansas.

###