

# NEWS



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## **Sunflower CEO Suggests Legislative Remedy Still Needed For Regulatory Certainty**

Hays, KS—March 1, 2008—After learning late Friday of the Kansas Department of Health and Environment's (KDHE) announcement of agreements with Westar Energy regarding a permit for Jeffrey Energy Center, Sunflower's President and CEO, Earl Watkins, issued the following statement:

Observers and state leaders must not let the KDHE's issuance of a permit for Westar's long-scheduled and thoroughly planned maintenance outage during which substantial environmental improvements to Jeffrey Energy Center are to be performed, cloud the truth about regulatory uncertainty and unfairness in the state's permitting process. In fact, just the opposite is true.

Westar had assembled hundreds of workers and equipment at the power plant site and was to begin work immediately. Westar operates coal plants at three locations in Kansas, so it is not unreasonable for Westar, in light of how Sunflower was unjustly treated, to enter into a "voluntary agreement" with the KDHE Secretary in order to secure a critical permit and avoid the loss of millions of dollars.

Every business in Kansas, and certainly every holder of a KDHE permit, should shudder at this treatment of a Kansas business by a regulatory agency.

While the agreement with Westar largely includes commitments to evaluate and develop plans that could, upon approval by KDHE, mitigate carbon dioxide emissions, Sunflower is actively taking responsible steps to address concerns about carbon dioxide while providing reliable and affordable power to its consumer-owners.

Without any agreement with KDHE, Sunflower has already acted to address carbon dioxide emissions:

- This year, Sunflower will have 13 percent of its peak load served by Kansas-based wind energy resources.
- Sunflower's only coal-fired power plant is at Holcomb Station. This station serves about 50 percent of our peak load and already has the

lowest emissions rate of carbon dioxide and all regulated emissions of any coal-fired plant in Kansas.

- Sunflower has already begun on-site testing of an innovative algae-based carbon dioxide capture system.

Sunflower's air permit for the Holcomb Station expansion met or exceeded all state and federal requirements and was recommended for approval by the KDHE professional staff.

The action to deny that permit was arbitrary and capricious and it is, likewise, arbitrary and capricious action to demand "voluntary agreements" from applicants before issuing permits or permit renewals when no rules or regulations have been established.

KDHE's actions do not bring regulatory certainty back to the state's permitting process. The Secretary's actions simply prove the rule of whim is alive and well. There has been no open and transparent rulemaking process within KDHE on carbon dioxide regulations, as there is for every other environmental regulation, and no authority on this issue has been granted by the Kansas Legislature.

KDHE's actions make it clear that there needs to be a legislative remedy that ensures fairness and regulatory certainty in Kansas.

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### **About Sunflower—**

Sunflower Electric Power Corporation is a regional wholesale power supplier that operates a 1,257 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; Victory Electric Cooperative Association, Dodge City; Western Cooperative Electric Association, WaKeeney; and Wheatland Electric Cooperative, Scott City, Kansas.