

NEWS



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Kansas House of Representatives Passes Bipartisan Energy Bill

Hays, KS—March 5—The Kansas House of Representatives passed comprehensive, bipartisan energy legislation today that supports regulatory certainty in state permitting processes, creates a Kansas renewable portfolio standard, set mercury requirements, establishes a net metering program for solar power generation and supports energy efficiency programs.

The measure passed represents the compromise agreed to by the conference committee and was based on legislation first passed last month by both Chambers. The Senate could vote on the measure tomorrow.

“We are pleased by the House’s bipartisan action,” said Earl Watkins, Sunflower’s President and Chief Executive Officer. “While we have work ahead of us, the House action today addresses concerns we and others across Kansas have with the KDHE permitting process while bolstering the state’s renewable energy and energy efficiency policies.”

The compromise also created the Electric Generation, Science and Technology Commission, which will provide objective, science-based analysis and energy policy recommendations to the Legislature.

The renewable energy portfolio standard will require public utilities to have renewable generation assets of 10 percent in 2012, 15 percent in 2016, and 20 percent in 2020. By the end of this 2008, Sunflower will have 13 percent of its nameplate capacity in wind energy and Midwest Energy will have 16 percent.

“Legislators on both sides of the aisle voted to pass the bill in the best interest of Kansas consumers,” said Earnie Lehman, chief executive officer of Midwest Energy. “This legislation will help ensure our cooperative has access to the conventional and renewable resources we need to provide reliable power and affordable rates to our consumer-owners.”

The cooperatives’ Holcomb Station expansion project will serve the around-the-clock energy needs of electric cooperatives and municipal utilities throughout the region. Over 500,000 consumers in Kansas served by Sunflower Electric Power Corporation’s six member cooperatives, Midwest Energy and ten municipal utilities will receive power from the project.

The Kansas Department of Health and Environment's Bureau of Air and Radiation recommended the Holcomb Station expansion receive an air quality permit in October 2007. That same month, the department's Secretary denied the permit based on his concerns about carbon dioxide emissions. Carbon dioxide emissions are not regulated by Kansas or the federal government, and the Secretary's decision has been widely criticized by Kansas industry, agriculture and labor organizations for creating uncertainty in KDHE's permitting processes.

Similar to other states, the legislation allows the Secretary of Health and Environment, with legislative approval, to promulgate rules and regulations, issue orders or take actions which are more stringent than required by the federal Clean Air Act. The Secretary continues to have authority to take action related to federal non-attainment designations and emergency situations. Under the legislation, the Secretary may also enter into agreements with permittees that are more stringent, restrictive, or expansive than federal requirements.

Provisions of the legislation would establish a path for KDHE to develop rules and regulations, subject to approval by the legislature, which would require the capture of carbon dioxide by requiring "best available control technology" for new coal-based power plants.

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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.