

NEWS



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An Open Letter to Gov. Kathleen Sebelius and the People of Kansas

October 31, 2007

Dear Gov. Sebelius:

I am sorry you have chosen to communicate with us only through the media about your rejection of our Holcomb Expansion project. Your decision was wrong, and the stated basis was inappropriate. In your letter to the media, you implied our expansion project was immoral, thereby impugning the good character of the 400,000 farmers, ranchers and rural Kansans who are members of Sunflower, as well as everyone else who supports the project. I now feel compelled to respond to your disparaging comment and bad decision.

Cooperative History

Sunflower is operated as a not-for-profit electric cooperative, owned and controlled by the people who depend upon us for their wholesale electric power needs. In the 1930s, urban areas were electrified, but rural areas were not because the high cost of serving rural areas was not profitable for investor-owned utilities.

As a result, farmers, ranchers and small businesses across the nation joined with their neighbors to organize cooperatives that delivered electric power to their farms, homes and to small municipal utilities. The users collectively owned the cooperative.

To govern the cooperative, consumers elected respected leaders within their service area to oversee the operations of the cooperative for the benefit of the member-owners.

Environmental Stewardship

These member-owners are engaged primarily in farming and ranching and other agriculture-related businesses and make their living off the land. Over the years, these members have continually exhibited good stewardship of the land.

They make their living off the land, so it is important to them to maintain it for each generation that follows. As one farmer told me, he was taught from a very early age that if you take care of the land, it will take care of you. All farmers and

ranchers are raised with the duty to leave the land better than the way they found it. The truth is, our members were environmentalists long before it was "cool" to be so.

That same environmental stewardship permeates the governing board of Sunflower. When the first coal unit was constructed in Holcomb in the early 80s, our members spent over \$110 million on the latest environmental technology on a plant that cost \$462 million. This came at significant cost to the members but resulted in their ownership of what is still one of the cleanest coal-fired power plants in the state of Kansas.

For years, our members have worked to advance technology to reduce emissions from the Holcomb plant. In 2000, Sunflower participated in tests sponsored by the Department of Energy to determine if our existing burner equipment could be changed in a way to further reduce the emission of nitrogen oxides.

In 2003, to address growing concerns over mercury emissions, Sunflower again worked with the Department of Energy and other utilities when our Holcomb Station was used as a proving ground for the injection of activated carbon that reduced our mercury emissions by 85 percent. This technology will now allow Sunflower to construct the two new plants and, combined with the existing unit, emit no more mercury than was emitted from the original plant.

In our continuing efforts to address carbon dioxide emissions, Sunflower is once again participating in the development of cutting-edge environmental technology. We recently concluded the first phase of tests to determine the best strain of algae to be used in an algae reactor at our Holcomb plant.

The algae reactor will use up to 40 percent of the carbon dioxide from the coal plant as a food stock for algae that is further processed to produce oil for biodiesel, starch for ethanol production, and protein for cattle feeding. In addition, the process will clean water for reuse in the power plant.

The algae reactor will make the net carbon dioxide emissions from the coal plants equivalent to the carbon dioxide emitted from gas-fired generation. Furthermore, the process will not only reduce emissions, it will move the United States toward less dependency on foreign oil by allowing us to use cleanly our abundant supplies of coal.

Doing the Right Thing

Over the years, our members have quietly worked at finding new technology answers that address environmental challenges. Because of the modest nature of our members, they have not publicized their accomplishments and have been reluctant to seek praise for doing the right thing. They believe being environmentally responsible is just expected of a responsible cooperative and not worthy of praise. Consequently, I was very disheartened to read that our members were labeled as "immoral" because of their project activities.

Our members include 45,000 people living below the federal poverty level and 68,000 who are over the age of 65. Higher energy costs that will come without these coal plants could mean those people will go without something. We don't believe it makes sense to power our homes, businesses, hospitals and schools with less reliable, more expensive wind. We don't believe we should only use more expensive, less abundant, natural gas and imported liquefied natural gas.

It is unfair for our governor to play the "moral" card on coal while promoting wind because many in the environmental community also see wind projects and transmission lines as immoral acts because of what they do to visual landscapes, birds and habitats.

I am confident the world's climate issues will be addressed by America's ingenuity. Many promising solutions, like our algae reactor, are already being pursued. However, until Congress makes those policy determinations, the burden of global climate change should not be placed solely upon the backs of Kansans, especially those in central and western Kansas who have done more and paid more than others to be environmentally responsible.

Governor, I ask you to apologize for your challenge of our moral fiber and to reverse your decision.

--Earl Watkins is the president and chief executive officer of Sunflower Electric Power Corporation.

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About Sunflower—

Sunflower Electric Power Corporation is a regional wholesale power supplier that operates a 1,203 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.