

NEWS



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Western Kansas Residents, Business Leaders Voice Overwhelming Holcomb Station Expansion Support *Civic Leaders Point to Job Creation, Not at the Expense of Environment*

GARDEN CITY, Kan. (October 25, 2006)— Last night, at a Kansas Department of Health and Environment public hearing, supporters of Sunflower Electric's generation expansion project outlined state-of-the-art environmental technologies slated for its Holcomb Station Expansion Project. Sunflower leaders discussed how the technologies will significantly limit the plant's emissions of mercury and other emissions to amounts well within state and federal standards.

"This project has always been about serving our region, with both energy and job creation, but never at the expense of our environment," said Sunflower Vice President, Kyle Nelson.

The project will utilize the best available control technologies (BACT) to ensure that clean-air standards are met. Air quality modeling found that the project would be a small fraction of what is allowed by the U.S. Environmental Protection Agency's National Ambient Air Quality Standards. BACT for the Holcomb Expansion Project include:

- Selective catalytic reduction (SCR) to control nitrogen oxides
- Dry lime flue gas desulfurization (FGD) to control sulfur dioxide
- Fabric filter baghouse to remove particulates
- Fabric filter dust collectors on all material handling systems

KDHE's construction permit includes stringent regulations on mercury emissions. Sunflower has taken a leadership role in demonstrating technologies that can be useful in reducing mercury emissions for plants using low-sulfur western coal. One significant environmental fact concerning mercury was corrected during the public hearing. It has been incorrectly reported that the proposed facility will increase the amount of mercury emitted by coal-burning plants in Kansas by 80%.

"This is not an accurate assessment of the information presented in the application, nor does it represent the conditions described in the PSD draft permit," said Wayne Penrod, Executive Manager of Environment for Sunflower. "Based on the ground-breaking mercury control research demonstrated at Holcomb in 2004, we can

predict that the total mercury emissions from the entire facility, when completed, will be no greater than the emissions are today.”

This coal-based plant will meet the growing national and regional need for energy. On Oct. 16, the North American Electric Reliability Council warned that power plants and transmission lines are not being built fast enough to meet demands. The Holcomb Expansion Project helps take steps to fill the void that can only be met with new baseload generation – the energy needed to be available at all times to power homes, industry, hospitals and schools in Kansas and neighboring states.

One of the 19 people testifying in favor of the project was Carol Meyer, President of the Garden City Chamber of Commerce. She outlined how Garden City would benefit from the Holcomb Expansion Project, including 2,000 new jobs in western Kansas during construction and a tax boost of more than \$1.7 million. She also said once the units are in operation, an estimated 400+ new direct and indirect full-time jobs will be created, with earnings of more than \$22 million per year.

“I have lived in this area since the first facility was built at Holcomb more than 20-years ago,” stated Meyer, “I am thrilled that Sunflower has shown this level of commitment to western Kansas.”

The public hearing follows the publication of KDHE’s draft permit which establishes emission limits for three 700 megawatt electric generating units to be built at Sunflower’s existing plant site south of Holcomb, Kansas. The process is used by KDHE to allow the public to comment on its conclusions on Sunflower’s permit application, which was submitted on February 6, 2006.

Earl Watkins, Sunflower’s President and Chief Executive Officer said, “I am looking forward to continuing our efforts to educate the public about this project. It will be a first-class addition to our award-winning facility which has served us for 23 years.”

The KDHE air permit approval is one of several regulatory steps Sunflower will comply with to receive final approval for construction of the new Holcomb units. Following construction, Sunflower will operate and maintain all four units.

Golden Spread Electric Cooperative, Amarillo, Texas, Sunflower and other investors will jointly own the first new 700-megawatt unit. Golden Spread will own 400 megawatts of the unit’s output for supply to its member systems. Sunflower will provide up to 150 megawatts to its member systems, and Midwest Energy will take 75 megawatts. Tri-State Generation and Transmission Association will own the second and third 700-megawatt units, which it will use to supply power to its member systems. These units are projected to be online in 2012 and 2013.

About Sunflower—

Sunflower Electric Power Corporation is a regional wholesale power supplier that owns and operates a 595 MW system of gas and coal-fired generating plants and a 1,200-mile transmission system for the needs of its six member cooperatives, which serve 118,000 people spread throughout a 21,000 square mile area in western Kansas. Sunflower also provides power to regional utilities in western Kansas and in ten states. Visit Sunflower’s website at 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.

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