

# NEWS



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## **Sunflower Wind Farm Contract Canceled**

The power purchase contract between Sunflower Electric Power Corporation (Sunflower) and RES America Developments Inc. (RES) was terminated recently after RES was unable to obtain the financing necessary to build the project.

Earl Watkins, Sunflower's President and CEO, commenting on the announcement said, "We worked long and hard to make this wind farm a reality, but in the end, the economics of this project were simply not attractive to the investment community."

The original agreement, announced in February 2003, called for Sunflower to purchase 30 megawatts (MW) from the facility which was to be built on land located near Marienthal, Kansas.

Sunflower had agreed to several amendments to the original contract, at the request of RES, in an effort to facilitate the construction of the facility. However, RES was unable to acquire the necessary financing to allow construction to begin by June 30, 2006.

Bob Johnson, Sunflower's Executive Manager, Engineering and Energy Services, added, "We are still committed to making renewable energy a part of Sunflower's generation portfolio." He continued, "What we're not prepared to do is put Sunflower's Member Systems in a position where our reliability is negatively affected, or make decisions we know will unnecessarily increase the wholesale price of electricity."

Referring to existing Sunflower Board policy, Watkins said, "Our Board made the decision several years ago to seek ways Sunflower might be able to utilize renewable energy." He added, "They have asked us to make sure those sources are based in our service area, so we will go back to the drawing board and see if we can deliver them a solution as good as the Wichita County project."

Sunflower intends to continue to search for feasible renewable energy solutions in western Kansas. An internal study group was recently selected to look for ways Sunflower might integrate agriculture-based renewable sources of energy into its generation portfolio.

## **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 who 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 <http://www.sunflower.net>