

NEWS



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SUNFLOWER ELECTRIC WIND FARM WAITING ON CONGRESS

HAYS, KS—Sunflower Electric Power Corporation and Renewable Energy Systems – North America (RES), an international wind farm developer, announced the construction of the Sunflower Electric Wind Farm in Wichita County, near Leoti, Kansas in 2003.

Sunflower agreed to purchase the first 30 MW of the wind-generated energy produced by the project that has been designed to produce up to 100 MW as additional customers join the project. The first phase of construction was scheduled for completion by the end of 2003, and has been approved by the Rural Utilities Service (RUS) and the Kansas Corporation Commission (KCC).

Central Plains Power, LLC, a subsidiary of RES North America, LLC, RES's U.S. development arm, working closely with the Wichita County Economic Development Corporation, will build the facility. The project is expected to have a workforce of approximately 100 construction jobs, and when fully subscribed, as many as 10 permanent jobs.

Unfortunately, a key feature of this project was the availability of Production Tax Credits, payable to investors, as an incentive for their investment in renewable generator technologies. The credit provided up to a 1.8 cent per kilowatt-hour benefit for the first ten years of a facility's operation.

Originally enacted as part of the Energy Policy Act of 1992, the credit was first scheduled to expire on June 30, 1999. In December of 1999, the credit was extended until December 31, 2001. Congress allowed this tax credit to expire in 2001, but in March of 2002, it was extended again until December 31, 2003.

An additional extension of this credit has been proposed in many pieces of legislation under consideration by Congress, but action on this extension has been held because of differences between the House of Representatives and the Senate.

The Sunflower Board of Directors recently agreed to extend its agreement to purchase power from the wind project with Central Plains Power, LLC through March 31, 2005. Bob Johnson, Sunflower's, senior manager, engineering/energy services, stated, "This contract extension shows not only Sunflower's commitment to the wind

project, but also the willingness of Central Plains to continue working in Kansas while we wait on Congress to act.”

It would be premature to predict when the Congress will act, but Sunflower remains optimistic that in the near future the tax credits will be extended and the Sunflower Electric Wind Farm will become a reality.

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 120,000 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.