

NEWS



301 West 13th Street • HAYS, KS 67601 • TEL: 785.623.3364 •
WWW.SUNFLOWER.NET

For Immediate Release

Sunflower Electric and Gov. Parkinson Compromise on Holcomb Expansion *One 895-megawatt unit to be built*

Hays, Kan.—May 4, 2009—Sunflower Electric Power Corporation President and CEO Earl Watkins responded to the announcement today by Gov. Mark Parkinson that a compromise has been reached between the governor and Sunflower to allow the Holcomb Expansion to move forward with the construction of one 895-megawatt coal plant.

"We are pleased to work with Gov. Parkinson as this proposal meets the baseload needs of the region and will promote the development of renewable energy in Kansas. The proposal will allow our out-of-state cooperative partners to participate in the project in a smaller way while preserving the 200 megawatts needed by Kansas cooperative and municipal utilities. Agreement provisions for wind, biomass and transmission development will promote renewable energy development in central and western Kansas," Watkins said. "We appreciate the leadership shown by the governor to recognize the need for baseload power in the Sunflower and Midwest Energy systems. This effort will move the project forward, bringing much needed economic activity and jobs to Kansas."

The current proposal has several advantages over the proposal offered last year by former Gov. Sebelius. This proposal accommodates the need to serve the out-of-state cooperative utilities, which is important for the economics of the project. The development fees earned by Sunflower from these out-of-state cooperatives will benefit Kansas ratepayers by providing capital for Sunflower's investment in the project. The ongoing operating fees will help offset rising costs and minimize future rate increases for Kansas customers.

The provisions for renewable energy allow for the deployment of technologies that are either readily available or demonstrated in small scale. Construction of high voltage transmission lines to the western grid will open opportunities for wind development in Kansas. The baseload power generated for Colorado will necessitate the construction of two lines expected to be at least 345 kilovolts, which will be large enough to carry wind power out of state. Sunflowers' commitment to develop the Sunflower Integrated Bioenergy Center and additional biomass generation will further the advancement of these technologies with utility-scale applications.

Further, Sunflower will decommission two older units to assure that the portfolio of Sunflower resources is the most efficient possible.

Sunflower is currently reviewing the economic impacts of the proposed 895-megawatt unit. The number of construction workers at peak is expected to be more than 1,500 with a 46-month construction cycle. The 895-megawatt unit is expected to require 50 additional permanent full-time employees, resulting in 99 additional new jobs across the state for a total of 149.

"We are thankful that the permitting process will resume after this 18-month delay. We have appreciated the legislative leadership of Senate President Steve Morris and House Speaker Mike O'Neal, and the coalition of support we have received, lead by the Kansas Chamber and the construction labor groups, has been encouraging," Watkins said. "The plan proposed by the governor meets the goals of our project but will also address concerns of our coalition partners that the regulatory process is clear and follows the federal Clean Air Act. The legislative proposal will move Kansas toward a comprehensive energy policy that utilizes all forms of generation, encourages the wise use of energy and balances concerns for cost and the environment."

Media Contact: Cindy Hertel 785.623.3341; email: chertel@sunflower.net

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.

###