

NEWS RELEASE



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Sunflower receives draft air permit for Holcomb Expansion Project

Process continues for 895-megawatt unit

Hays, Kan.—June 30, 2010— Sunflower Electric Power Corp. (Sunflower) is pleased that the Kansas Department of Health and Environment (KDHE) has announced issuance of a draft Prevention of Significant Deterioration (PSD) air quality construction permit for a new, state-of-the-art 895-megawatt coal-based unit at Holcomb Station, located four miles south of Holcomb, Kan.

“We appreciate the professionalism and expertise of the KDHE technical staff, which has drafted a stringent permit that protects the environment and follows strict state and federal laws,” said Earl Watkins, Sunflower’s president and CEO. “The draft construction permit is an important step in meeting future base load generation needs of the people of central and western Kansas. The project will also provide significant economic benefits for the entire state.”

Issuance of the draft permit opens the public comment period beginning July 1 and lasting until Aug. 15.

The permit application was originally filed in 2006 and updated during the last 12 months to reflect changes in the project structure agreed upon in the May 2009 compromise announced by Gov. Mark Parkinson and Sunflower. The first of the two-part compromise consists of legislation that establishes policies to advance renewable energy and restore regulatory certainty. The second part of the compromise is a settlement between the state of Kansas and Sunflower, allowing Sunflower to move forward in the permitting process for one 895-MW coal-based project that meets all of the federal Clean Air Act (CAA) and the Kansas Air Quality Act (AQA) regulations.

The refreshed application includes an updated best available control technology (BACT) analysis for specific regulated emissions and substantial modeling analyses that are required to demonstrate that the emissions from the project will have no significant impact on the federal National Ambient Air Quality Standards (NAAQS), including new requirements for fine particulate and for new 1-hour NAAQS for sulfur dioxide and nitrogen dioxide. This process produces a permit to construct a project that will be designed, constructed, and operated consistent with the regulatory requirements established under the federal CAA and the Kansas AQA.

The project will require approximately 1,900 construction jobs at peak, generating more than \$121 million in wages during the 48-month construction cycle. Once completed, the unit will require approximately 70 additional full-time positions at Holcomb Station with annual wages totaling more than \$5 million. These new full-time jobs will result in approximately 130 indirect full-time jobs across Kansas.

More information regarding the Holcomb expansion project can be found on the project's website at www.holcombstation.com.

About Sunflower—Sunflower Electric Power Corporation is a regional wholesale power supplier that operates a 1,275 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 www.sunflower.net.

Sunflower's member cooperatives include Lane-Scott Electric Cooperative, Dighton; Pioneer Electric Cooperative, Ulysses; Prairie Land Electric Cooperative, Norton; The Victory Electric Cooperative Association, Dodge City; Western Cooperative Electric Association, WaKeeney; and Wheatland Electric Cooperative, Scott City, Kan.

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