



SUNFLOWER ELECTRIC POWER CORPORATION

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Kansas Department of Health and Environment

Statement of Earl Watkins Concerning the Proposed Kansas Air Quality Construction Permit Of Sunflower Electric Power Corporation

Oct. 25, 2010

My name is name is Earl Watkins, the president and chief executive officer of Sunflower Electric Power Corporation. Thank you for the opportunity to speak today. In light of the recent decision to schedule a 30-day public comment period to address the new modeling data, some have expressed concern that this application lacks time for careful consideration and analysis. However, a breakdown of the application's timeline overwhelmingly refutes this argument.

The original complete application for the supercritical unit at Holcomb Station was filed in 2006 for three 700-MW units. The size of the project was later reduced to two 700-MW units and further reduced to 895 megawatts, but the heart of the project has not changed. The current project will use the same state-of-the-art supercritical technology, which has been open to public evaluation since 2006. In 2006, the permitting process included three public hearings and two comment periods totaling more than 80 days.

In 2007, recognizing that the application met all state and federal regulations, the KDHE technical staff recommended that a final air construction permit be issued. The permit was later denied by Secretary Bremby, a decision that delayed the permitting process until a compromise was announced by Gov. Parkinson between Sunflower and the state of Kansas.

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After the May 2009 compromise allowing the permitting process to move forward with an 895-MW unit, Sunflower refreshed the application on file with the KDHE. The design of the project has not changed, including emission control technology; thus, the majority of the application has remained intact. Obviously, because the project is now smaller, the total emissions of air pollutants have decreased. The review of other construction permits and actual emission rates achieved on new units—brought about by incremental advances in the effectiveness of the various control technologies—has also resulted in some emission rates being reduced as they are stated in the draft permit. In addition, the site of the project has remained unchanged, and no substantive industrial development in the region has altered the conditions that the KDHE must evaluate.

The refreshed application was submitted in January 2010, and on July 1, 2010, the KDHE opened a 47-day public comment period for the draft permit. Later in July, the EPA and the KDHE determined that certain air dispersion modeling results submitted by Sunflower would need to be performed and submitted again. The flaw was determined to be caused by a time-synchronization problem within the EPA-approved software.

As a result, a second public comment period was scheduled, concluding today. This schedule, from July 1 to today, has provided the public 117 days and four public hearings to comment on the refreshed application. All total, since 2006 this application has been subject to seven public hearings and a total of more than 200 days for public comments.

For more than four years this project, which complies with all state and federal requirements, has been analyzed by the EPA, the KDHE, and the public. This timeline proves that ample time has been provided for a thorough examination of the application by all parties concerned.

Regardless of the outcome, Sunflower will continue to serve its members

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with reliable power, but we will be forced to do so using a more expensive generation resource, a scenario that can be, and should be, avoided in these difficult economic times. We have met the requirements for building this project, and I urge you to approve the permit for this project so that people in this state can have access to the lowest-cost new energy resource, needed jobs, and a revenue stream from our partners—all of which Kansans justly deserve.

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