



SUNFLOWER ELECTRIC POWER CORPORATION

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Kansas Department of Health and Environment

Statement of Clare Gustin
Concerning the Proposed Kansas Air Quality Construction Permit
Of Sunflower Electric Power Corporation

August 4, 2010

My name is name is Clare Gustin. I am the Vice President of Member Services and External Affairs for Sunflower Electric Power Corporation. I am here before you today to support proposed permit. I would like to speak about the enormous economic boost this project will give our Kansas economy and meet the needs of Kansans.

Because this project creates such an enormous economic impact while fully complying with all the state and federal laws and regulations pertaining to emissions, I believe you must approve this air permit application.

We're not asking for a special tax break from the government to complete this project. We do, however, seek your approval so that this economic boost that is so desperately needed can benefit people across our nation. Our political leaders are always talking about the need to create jobs to help our economy. Shouldn't we be asking ourselves, "What is better for our economy than the creation of more than 2,000 jobs in rural Kansas?"

We all know that rural America has been in decline, but our cooperatives continue to be active in rural development efforts to reverse this trend. That's why our collective economic development activities are so important, but our recent population estimates again show population loss in western Kansas.

One might ask why we need additional electricity if the population is declining. There are several reasons that this project is needed to supply base load electricity to parts of Kansas. People, whether at home or at work, are taking advantage of technologies that need electricity. Our electronics – computers, cell phones, MP3

players, Tivo systems – all use electricity. Most advances in technology require electricity.

Another load growth opportunity is from commercial customers. Over the last several years we have seen opportunities to serve biofuels plants, additional beef processing and natural gas producers for processing and compression. We welcome all these new load serving opportunities since every new kilowatt we sell lets us spread our costs to more customers, thus lowering and stabilizing costs for all customers, especially the most fragile in our communities that are on fixed incomes.

It is ironic that some of these same natural gas companies fund groups to oppose this project and other coal projects around the country. They use low cost electricity from coal to fuel their processes - rather than natural gas.

One another point that must be considered is the need for base load power to replace the Westar contract for many Kansas customers that expires at the end of 2018.

We strongly believe this project not only helps our cooperatives serve their consumers, but it will also help those consumers prosper during these difficult economic times.

So, yes, while our region continues to lose population, we continue to need additional base load electricity. The downward cycle of population loss is felt throughout rural communities. As job opportunities diminish, people leave. As people leave, there are fewer customers to support the main street businesses which provide the essentials of life.

When main street businesses don't have a profitable customer base, they close. If a significant business community is non-existent, institutions like hospitals and schools struggle to remain viable. When quality education and health care are not available, even more people leave. When higher paying health care and education jobs are gone, jobs remaining tend to be low-skilled, lower-paying positions with few benefits.

Rural areas also traditionally struggle with incomes that lag metropolitan areas. In Johnson County, the per capita income for 2008 was \$54,395. Here in Saline County, per capita income in 2008 was \$38,699 and the statewide average per capita income was \$37,978. In Finney County, arguably the most vibrant county in western Kansas,

the per capita income for 2008 was \$26,588—less than 50% of the Johnson County income.

As others have (or will) tell you, this project will cause the construction of other infrastructures that will drive additional economic activity all across our state. Certainly it is true that the new transmission lines built as a result of this project will not only create other jobs in the renewable energy industry, it will also provide a path for the sale of that energy outside Kansas to locations that don't have the wind potential that exists in our state.

I realize that your primary goal in these hearings is to learn about technical matters relating to this application, but since I believe that the many years of work that has been invested by Sunflower and its partners and KDHE have resulted in a draft permit that is fully compliant with all environmental rules and regulations, I urge you to promptly submit this permit for approval by Secretary Bremby. This is a decision that should be based not on politics or philosophy but the rule of law so that our struggling rural economy can enjoy what will certainly be an enormous economic boost.