



# SUNFLOWER ELECTRIC POWER CORPORATION

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## **Kansas Department of Health and Environment**

Statement of Kyle Nelson  
Concerning the Proposed Kansas Air Quality Construction Permit  
Of Sunflower Electric Power Corporation

August 5, 2010

My name is Kyle Nelson. I am the Senior Vice President and Chief Operating Officer for Sunflower Electric Power Corporation. My office is located at 301 W. 13<sup>th</sup> Street, Hays, KS 67601. I support your approval of the proposed permit and would like to discuss the impacts this project will have on the regional transmission system.

The North American electric grid is an enormous transmission system covering the entire United States. One part of the grid serves western states from the Pacific coast to just east of the Rocky Mountains and is commonly referred to as the western interconnection. Another part of the grid serves states from the central plains all the way to the Atlantic coast and is commonly referred to as the eastern interconnection. Kansas electric consumers are served by the eastern interconnection. The final major section of the grid serves the majority of the state of Texas. Generally speaking energy transfers are severely limited between these three sections of this massive electric grid.

An agreement between Sunflower and the state of Kansas requires the Holcomb project participants to develop high voltage transmission lines from the Holcomb site to the western interconnection. These transmission lines represent a unique opportunity for Kansas that would support the transfer of all forms of electric energy, but these lines would not likely be built for many years, if ever, without this important proposed coal project.

Use of the national electric grid has changed dramatically in recent years. The nation's transmission system was initially developed to serve each utility's local or regional needs. As load demand grew, there was a need for much larger and higher

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voltage transmission lines which were interconnected into today's electric grid. This electric grid has been strained to serve the utility markets as envisioned when Congress passed legislation to require a shift from a regulated load-serving model to a market-based, equal access model, and Kansas' transmission systems are strained by these same demands. The existing transmission system's limited ability to move energy to remote markets is inhibiting renewable energy development in Kansas. The proposed project provides a rare opportunity to construct transmission from western Kansas into a different zone of the U.S. electric grid for the benefit of all generation resources – especially Kansas wind resources.

Over the past several years, Sunflower has received numerous mandates from the Southwest Power Pool (SPP) to make transmission system improvements totaling more than \$130 million in capital additions to the grid, yet all these SPP transmission expansion plans are limited to only eastern interconnection projects that will not allow energy transfers with the western interconnection.

Some Holcomb project opponents have indicated construction of a coal unit would stifle construction efforts of new wind projects. That is simply not true. Much like Kansas' ability to grow food crops and to raise beef cattle in volumes far beyond the ability of the Kansas population to consume, only through access to remote energy markets will Kansas fully realize the full benefit of renewable wind energy export. By leveraging a unique transmission expansion project caused by the proposed Holcomb project, Kansas renewable resource developers will actually benefit from this coal unit project through access to larger energy markets in the western interconnection without waiting for eastern interconnection transmission improvements.

Once again, I urge you to approve Sunflower's permit application as proposed, and I thank you for the opportunity to speak today.