

Rural Power

Electronic Edition

A newsletter for and about Kansas Electric Cooperatives

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Sunflower Announces Wind Project

Sunflower Electric Power Corporation announced on Dec. 13th that it has agreed to purchase 50.4 megawatts of energy generated by wind turbines at the planned Smoky Hills Wind Farm, owned by TradeWind Energy, LLC.

Sunflower currently owns a 595-megawatt fleet of coal-based and natural gas generating units located in Finney County near Holcomb and Garden City. The addition of this contract means that nearly 8% of Sunflower's generating capacity will be reliant on the Kansas winds.

"This agreement puts Sunflower squarely at the forefront of renewable energy production in Kansas," said Earl Watkins, Sunflower's President and Chief Executive Officer. "By the end of 2007, Sunflower will have a larger portion of its generation portfolio dedicated to wind than any other utility in Kansas."

The project site for the wind farm is located 25 miles west of Salina, just north of Interstate 70 between Ellsworth and Lincoln.

The contract between

Sunflower and TradeWind Energy is a 20-year renewable energy purchase agreement. It is anticipated that construction will be completed and energy available to Sunflower prior to the end of 2007.

The Smoky Hills Wind Farm will be the fifth utility-scale wind project in Kansas. Those wind developments already in operation include St. Mary's, Gray County, Elk River, and the Spearville Wind Energy Facility.

Kansas is ranked 3rd in the United States for wind energy potential. According a 1991 study by Pacific Northwest Laboratory, Kansas has an annual windy energy potential of 1,070 billion kWh. The Smoky Hills project will be built in multiple phases and is expected to be capable of

generating 250 megawatts of power when completed. Phase one will bring 100.8 MW. When Smoky Hills is complete, Kansas will have 614 MW of wind generation.

TradeWind has been developing projects in Kansas, Missouri, Illinois, and other midwestern states. The company focuses on utility-scale sites characterized by excellent wind potential, interconnection access, and deliverability to utility customers.

In 2006, TradeWind signed an equity and strategic alliance agreement with Enel North America, Inc., a wholly owned subsidiary of Enel S.p.A. These two companies are working to jointly develop wind projects in the Midwest and other regions of the United States.

Utility Scale Wind Projects in Kansas

Project	Developer	Date Online	MW	Purchaser	Units
St. Mary's	Westar	1999	1.5	Westar	2
Gray County Wind Farm	FPL Energy	2001	112.2	Aquila	170
Elk River Wind Farm	Empire District Electric/ PPM	2005	150	Empire District Electric	100
Spearville Wind Energy Facility	Kansas City Power & Light/enXco	2006	100.5	Kansas City Power & Light	67
Smoky Hills Wind Farm	TradeWind Energy, LLC	2007 (projected)	100.8 (phase I)	Sunflower (50.4 MW)	56

Kansas Cooperatives Assist with Development of Community Wind Incentives

Developing incentives to promote wind energy continues to be a topic of discussion in Kansas. Recently, the Kansas Energy Council, legislative leaders, and KEC members have addressed initiatives that support the development of wind energy.

KEC's Dave Holthaus, KEPCo's Phil Wages, Midwest Energy's Larry Berg and

Michael Volker and Sunflower's Steve Miller participated in a series of meetings with legislative leaders, including Rep. Carl Holmes, to consider incentive packages for community wind (less than 20 MW), large-scale wind (more than 20 MW), and wind as a co-generation resource. Among the incentives being examined are a state production tax credit, a state

Continued on p. 3

In Brief

Price Tag Rises for KCP&L Project

Kansas City Power & Light will spend up to \$350 million more than originally targeted on its large projects. In a filing with the Securities and Exchange Commission, KCP&L parent Great Plains Energy, Inc. said the bill for Iatan 2, environmental control equipment, wind generation and other programs could come in as high as \$1.62 billion. The increases stem from rising labor and material costs.

Kansas City Business Journal - 12/12/06

Nuclear Plant to Make Ethanol

Alternate Energy Holdings announced plans to incorporate co-generation at its proposed nuclear power plant to produce ethanol.

The proposed plant, which will be located near Bruneau, ID, was originally requested by the Rural River Cooperative to assist with local farmers' irrigation needs. The plant will employ the concepts of efficient plant process by-product use, including producing livestock with distillers grains, generating methane from animal waste and innovative crop production.

12/14/06

Wal-Mart Expanding Experiment

Wal-Mart officials announced after early evaluations of their environmental experiment Supercenters in McKinney and Aurora, CO, they will expand some of their environmentally conscious practices to their entire chain of stores starting in January 2007.

Some of the changes that will take place include the use of LED lighting in exterior signs and interior freezer and grocery cases, the use of waterless urinals and small countertop photovoltaic panels that charge the batteries used to power sink sensors.

Some of the experiments that didn't meet the company's expectations include its solar power facilities and wind turbines.

Courier-Gazette.com - 11/22/06

Cooperative Calendar

December	25	Christmas Holiday, KEC Office closed.
January	1	New Year's Day, KEC Office closed
	17-18	KEPCo Board of Trustees Meeting, KEPCo Headquarters, Topeka.
	19	Sunflower Board of Directors Meeting, Sunflower Headquarters, Hays.
	20-23	KEC Annual Meeting, Capitol Plaza Hotel, Topeka.
2007 Board of Trustees Meetings:		
	Jan. 20-23	KEC Annual Meeting, Capitol Plaza Hotel, Topeka.
	March 7-8	KEC Committee and Board of Trustees Meeting, Holiday Inn Hotel, Salina.
	May 2-3	KEC Committee and Board of Trustees Meeting, Dodge City.
	July 28-30	KEC Summer Board Meeting, Marriott Hotel, Overland Park.
	Sept. 26-27	KEC Committee and Board of Trustees Meeting, Marriott Hotel, Wichita.
	Dec. 5-6	KEC Committee and Board of Trustees Meeting, Marriott Hotel, Wichita.

KEC Annual Meeting

The KEC Annual Meeting will be held at the Capitol Plaza Hotel, Topeka, on January 20 - 23, 2007.

On Sat., January 20, NRECA's Bryan Singletary will teach the Board Leadership Course **924.1 When Disaster Strikes - Continuity Management and Emergency Response Planning**. Scheduled for Sun., January 21 is the Board Leadership Course **935.1 Appraising and Compensating the CEO**.

The KEC Annual Meeting will again feature the vendor Expo and the Legislative Reception. Watch for more information in January.

Reservations may be made directly with the Capitol Plaza at (785) 431-7200. The cut-off date for reservations is December 29. Reservations after that date will be on availability, and the \$89 group rate cannot be guaranteed. Make your reservations early to ensure a room.

NRECA Annual Meeting

NRECA's 65th Annual Meeting is scheduled for March 20-22, 2007, in Las Vegas, NV.

There are two significant changes to this year's meeting. In previous years, the meetings were held Monday-Wednesday, but this year the meetings are pushed back to Tuesday-Thursday.

The procedure for lodging has also changed. Attendees must register for the meeting and make their room reservations on line at Cooperative.com. The annual meeting web page was launched earlier this month, and all reservations must be made through this site.

This year, the Kansas electric cooperatives were assigned to the Hilton, www.lvhilton.com, which will also serve as the NRECA headquarters hotel. The room rate is \$179 for a single/double. The hotel cut-off date is February 9, 2007.

Speakers for the meeting include James Woolsey, former Central Intelligence Agency Director; and Mike Ditka, legendary NFL football coach.

KEC To Offer Credentialed Cooperative Director Fast Track

KEC has scheduled all five NRECA Credentialed Cooperative Director (CCD) courses in Topeka between Monday, Feb. 19 - Friday, Feb. 23, 2007:

Feb. 19 - 2600.1 Director Duties & Liabilities
 Feb. 20 - 2620.1 Board Roles & Relationships
 Feb. 21 - 2610.1 Understanding the Electric Business

Feb. 22 - 2630.1 Strategic Planning

Feb. 23 - 2640.1 Financial Decision-Making

Boards are responsible for directing the affairs of the corporation. The CCD program is designed for Trustees to acquire

the minimum knowledge and skills necessary to fulfill their responsibilities within the cooperative context.

To earn the CCD Certificate, Trustees must attend all five courses and successfully complete the learning assessment for each course.

Trustees may pick which course(s) they wish to take, or may sign up for all five courses. Registration information will be sent to each cooperative once the training location has been determined.

Oakley Acquisition Final

The sale of the Oakley distribution system to Midwest Energy was finalized on November 28, 2006, during a 30-minute ceremony at Oakley City Hall.

During the ceremony, official documents were signed by Oakley Mayor Frank Munk, City Clerk Rose Wessel, and Midwest Energy's Earnie Lehman. Other Midwest Energy staff were also present for the ceremony.

Midwest Energy will begin service to approximately 1,300 new electric members in Oakley on December 1, 2006. The cooperative is now making plans to begin tree trimming and to upgrade the newly acquired system as soon as possible.

Kansas Cooperatives Assist with Community Wind Incentives, *continued*

production incentive payment, a low-interest loan program, a loan guarantee program, and a statutory floor price for energy sold from community wind projects.

The Kansas Energy Council adopted policies designed to encourage additional wind energy at its December 13, 2006 meeting. According to KEC Executive Vice President Stuart Lowry, a member of the Council, the policies recognize the complex issues associated with the development of wind energy, yet remain consistent with the Governors stated goals for developing wind energy. "Rather than focus on the specific means to the end, to policies are broad enough to allow for various incentives," said Lowry.

KEC is also developing a program that is designed to support the state's desire to encourage more renewable energy resources by building a base of locally-owned renewable generators. This new program is titled Kansas Alternatives for Renewable Energy (KARE).

"KARE is an innovative, renewable energy program," explained Don Hellwig, Manager of DS&O. "It connects our cooperatives' members who want to purchase renewable energy with other members within the same electric cooperative who want to produce renewable energy."

KARE is a voluntary program, both for each electric cooperative and their

USDA Conference to Focus on Renewable Energy, Efficiency

USDA will present its fourth annual Kansas USDA Energy Conference on January 30-31, 2007, at Kansas State University in Manhattan. The energy conference will focus on federal programs that can assist agricultural producers, business owners, local governments, school districts, rural housing interests and energy contractors.

"Advancing both renewable energy and energy efficiency opportunities for Kansas is critical for expanding economic development for the Sunflower State," said USDA Rural Development State Director Chuck Banks. "The conference will provide important federal energy assistance information and how these programs can benefit Kansas."

The Kansas USDA Energy Conference will address the key points of USDA's Renewable Energy Systems & Energy Efficiency Improvement Program, covering both the 2007 Program's details and application process.

The first day of the conference will consist of general renewable energy and energy efficiency presentations. The second day will feature breakout sessions for agricultural producers, business owners, public entities, and rural housing interests.

To register, visit www.rurdev.usda.gov/ks or call (785) 271-2701. Additional USDA Rural Development energy program information is available by calling (785) 271-2744.

Safe Electricity Teleconference

Safe Electricity hosted a teleconference on Dec. 13 and 14 to explain how to implement this program at the local level and to review on-line resources.

Safe Electricity offers public service announcements (PSAs). The broadcast-quality radio PSAs are now available on the Members Only site at safeelectricity.org. For more information, contact Shana Holsteen at (785) 478-4554).

Cooperatives Encouraged to Link to Cooperative.Com Career Center

NRECA's Cooperative.Com is offering cooperatives who link to the site's Cooperative Career Center by Dec. 31, 2006, a chance to win an Apple 30GB Video iPod.

By taking a few minutes to link to the Career Center, cooperatives can help build a better co-op workforce. Visitors to the web site can create personal job alerts, and they will be automatically notified via e-mail whenever there is an opening at your cooperative.

Post job openings at no cost on the Career Center. All jobs shown to potential candidates will include the cooperative's logo and any other information the cooperative wishes to display.



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