



Kansas Natural Resource Council

December 10, 2006

An open letter to Governor Kathleen Sebelius on the Holcomb power plant proposal

The Kansas Natural Resource Council recommends the Governor of Kansas, as supreme executive power of the state, deny the permit for the proposed installation of three new 700 megawatt coal-fired power plants adjacent to the existing coal-fired power plant owned by Sunflower Electric Power Corporation near Holcomb. It is not just a matter of whether or not the utility can meet existing emission requirements. The time has come for a paradigm shift in how our future energy needs are met.

KNRC realizes it is not sufficient to merely oppose construction of such facilities. We propose the following alternative strategy to address energy needs for now and the future.

First of all, an aggressive program of **energy conservation investments** can delay the need for additional electric generating capacity for many years. The need for additional capacity is primarily driven by summer peak demand due to use of air conditioning in residences and businesses. The utility response to increasing peak demand is always to install more capacity rather than address demand management – to invest in megawatts rather than negawatts. If we got serious about insulating structures and installing energy-efficient windows and doors in dwellings and businesses, summer peak demand could be reduced, which would defer the need for new capacity. This would have a positive economic effect across the state, providing business for hardware stores, lumberyards and craftsmen as those materials are purchased and installed. Consumers will still have the essential services they are accustomed to and will indeed have an increased level of comfort as their living space becomes more snug and weather-tight. In addition, conservation investments will enhance economic security for consumers by reducing energy bills. If these investments are funded by the utilities, they should be able to incorporate them into their rate base and earn a fair return on their investment just as they do with power plants and other infrastructure. However, at least two other funding mechanisms are possible and should also be pursued. One would be to enact tax breaks for individuals and businesses who pay for conservation improvements themselves. Another would be for the state to provide low- or no-interest loans for the purpose.

Secondly, Kansas should be **harvesting our abundant wind resource**. Community wind projects, large commercial arrays as well as single towers for rural and/or remote users can all play a part in this harvest. Wind power can be brought on incrementally in a nimble manner when needed, it does not deplete our water supply and, again, it can provide economic benefit statewide instead of in one location only. KNRC is not opposed to new economic opportunities for the Garden City area. In fact, development of wind power in southwest Kansas can provide **more long-term jobs** and **greater economic benefit** to that area than the proposed expansion of the Holcomb station.

Lastly, if any new coal power plants are built, they should utilize **Integrated Gasification Combined Cycle** technology (IGCC), which has the ability to remove mercury and CO₂ from the emission stream. IGCC also creates more electricity from each ton of coal and consumes less water. Sunflower Electric and Tri-State should be partnering with American Electric Power on the engineering development of this technology. AEP has two new IGCC plants under development in Ohio and West Virginia, with engineering studies underway presently. This technology is the best available for producing electricity from coal, and should be the standard for any new facility.

The debate on Global Warming is over. The effects of accumulation of greenhouse gases produced by human activity - primarily CO₂ – are being observed today and they do not bode well for our future. The Holcomb complex, as proposed, would be a very significant contributor to this problem. The electric utility industry sees the writing on the wall and is proposing to build over 150 new pulverized coal-fired plants nationwide in an attempt to make them a fait accompli before federal CO₂ emissions regulations are implemented. The Holcomb complex would be one of the largest - if not the largest - new point source of CO₂ in North America. In the absence of federal CO₂ regulations, the states have both moral and practical obligations to address this issue.

As the new chair of the Democratic Governor's Association, Governor Sebelius is in a unique position to promulgate this progressive alternative vision for not only our state, but nationwide. Indeed, action is necessary across state lines to make this alternative energy future a reality. After all, virtually all of the electricity from the Holcomb expansion would go to Colorado. Again, in the absence of forward-thinking energy and environmental policies at the federal level under the Bush administration, the states must step up to the task of providing leadership on this critical issue. California's recent positive steps on greenhouse gases show that cross-party cooperation is a very real possibility too. The time to act is now, and bold leadership is needed. We urge Governor Sebelius to provide that leadership.

For the Board,

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Wichita
Secretary, Kansas Natural Resource Council

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