

THE CURRENT

For Our Member Systems, Employees and Friends

Fall 2024

SUNFLOWER UNVEILS EXCITING NEW LOOK!

After thoughtful consideration and months of development, Sunflower launched our new identity in August.

“The newly designed logo symbolizes the company’s ongoing evolution, commitment to innovation, and dedication to providing world-class service to our member cooperatives,” said Shelbi Wiles, marketing and communications supervisor. “We’ve grown and evolved over the last three decades, and we felt it was time to adapt and refresh our brand identity to reflect who we are today.”

The new look was revealed to employees via sealed, branded swag boxes on Friday, Aug. 9, at an all-employee event in Dodge City.

The previous Sunflower logo, used for 35 years, was created by a collaborative team of Sunflower employees. It happened to coincide with Sunflower changing our name from Sunflower Electric Cooperative, Inc., to Sunflower Electric Power Corporation in 1989.

As the electric industry and our business position continues to change, members requested Sunflower have a more prominent presence and be a trusted and reliable generation and transmission partner that is competitive in our industry. In response to the members’ request, Sunflower’s communications team launched an initiative to enhance our brand recognition by refreshing our visual appearance earlier this year.

When considering the logo refresh, the main objective was to keep it identifiable and memorable. To achieve this result, we carefully reworked the existing logo by updating the logomark, colors, and typography to create a more modern, yet recognizable, logo.



LIGHTNING BOLT | Emphasizes our mission to supply our members with reliable electric generation and transmission services at the lowest possible cost is priority.

TYPEFACE | Inspired by typography in the 1950’s — paying homage to our founding year.



7 PETALS | The number seven not only represents our six members cooperatives + one wholly owned subsidiary, but also the establishment of Sunflower in 1957 and the seven cooperative principles.

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EPA Gambling with our Energy Future

Power Plant Rule on Emissions Threatens Electric Reliability



Sunrise at Holcomb Station, taken by Sunflower Generation Technician Brandon Smith.

Earlier this year the Environmental Protection Agency (EPA) released four new major regulations for the electric industry, including a rule aimed at cutting carbon dioxide (CO₂) emissions from power plants. This burdensome rule could potentially disrupt energy security and aggravate reliability concerns for electric cooperatives and other utilities nationwide.

Access to dependable electricity is essential for every home and business. Robust energy sources significantly contribute to economic growth by generating employment opportunities, fueling local enterprises, and enhancing healthcare and education.

"The path outlined by the EPA is unlawful, unrealistic, and unachievable," said Jim Matheson, CEO of the National Rural Electric Cooperative Association (NRECA).

It undermines electric reliability and poses grave consequences for an already stressed electric grid.

Jim Matheson, CEO of NRECA

UNPROVEN TECHNOLOGY

Under the new rule, existing coal-fired power plants planning to operate beyond 2039 must install carbon capture and sequestration (CCS) technology to capture 90% of CO₂ emissions by 2032. The rule also requires new natural gas plants operating with annual capacity factors greater than 40% to install CCS and capture 90% of their carbon emissions by 2032.

While CCS is a promising technology, it is not yet widespread nor commercially available and thus has not been "adequately demonstrated" as required by the Clean Air Act. There are no units in the country currently achieving EPAs required 90% capture rate consistently while operating at baseload levels.

Also, the massive pipeline networks needed to transport captured CO₂ to underground storage sites are either insufficient or nonexistent, and the necessary infrastructure cannot reasonably be expected to be in place in time to meet EPA's requirements. This reliance on unproven CCS technology, as mandated by EPA's new rule, will undermine electric reliability across the nation.

GRID RELIABILITY CONCERNS

The power plant rule will impede the construction of new natural gas plants and force the early closure of many coal-fired generation sources that are available 24/7. According to the U.S. Energy Information Administration, 173 coal-fired units in 33 states totaling 80 gigawatts of power generation are scheduled to close by the end of 2030. Another 55 units across 17 states have announced closure dates between 2031–2040.

The timing of these sweeping new rules is particularly troubling. At the same time electric generation facilities are being forced to close, reducing overall power supply, the nation is experiencing a surge in electricity demand from factors like transportation electrification and the rapid expansion of data centers to support artificial intelligence, e-commerce, and cryptocurrency.

According to the recent *Our Generational Challenge* report from the Southwest Power Pool, "Our energy system is in the midst of radical change. Between 2019 and 2023, the SPP region experienced 3,234 hours of grid advisories and alerts due to tight operating conditions. Demand for electricity is outpacing supply from our generation fleet. Residential and

commercial energy use is expected to increase at an unprecedented pace." As traditional energy sources like coal and gas are retired, SPP and other grid operators across the country will need to rely more on renewable energy. While renewables offer benefits, they also present challenges due to their variability.

"While a tremendous amount of renewable energy has been added in the SPP region, which provides significant environmental benefits, renewable energy is not always available," SPP added. "We need dispatchable generation for times when the wind isn't blowing, and the sun isn't shining..."

To support the growing demand for electricity and maintain a reliable and affordable energy supply, it's essential to have a diverse mix of generation sources that meet both operational and environmental goals.

Sunflower utilizes a balanced approach to power supply for our member-utilities by maintaining a diverse electric generation portfolio. To ensure reliability and affordability,

Sunflower relies on baseload generation from coal and natural gas while also incorporating renewable resources like solar and wind to complement the energy mix.

FIGHTING FOR FAIR ENERGY POLICIES

In late August, NRECA led a coalition of electric cooperatives and industry groups in filing an application to stay the EPA power plant rule with the U.S. Supreme Court after the D.C. Circuit Court of Appeals declined a similar request. Separately, a group of 23 states led by North Dakota, including Kansas, asked the high court to halt the regulation until legal challenges against it are resolved.

On October 16, the Supreme Court denied the request from NRECA and other parties to stay the EPA's Power Plant Rule. A stay of the rule would have prevented its implementation while the underlying lawsuit against the rule is pursued. While a stay would have been nice, the lawsuit against the rule, which is the vehicle for taking down the rule, remains in place.

Supreme Court Justices Brett Kavanaugh and Neil Gorsuch issued a statement saying NRECA and other legal opponents of the regulation "have shown a strong likelihood of success on the merits as to at least some of their challenges to the Environmental Protection Agency's rule."

The lawsuit is moving on an expedited schedule with a decision from the D.C. Circuit Court of Appeals expected mid-year 2025. Due to the lawsuit's accelerated timetable, the justices indicated efforts to comply with the EPA rule wouldn't need to be pursued before the D.C. Circuit Court of Appeals decides on the lawsuit, which was a primary argument against issuing the stay.

Rulemaking and judicial reviews can be lengthy processes, but America's electric cooperatives are dedicated to continuing the fight to keep electricity reliable and affordable for local families and businesses.

"At Sunflower, we are committed to being good stewards of the environment," said Steve Epperson, Sunflower president and CEO. "But we're concerned about adverse impacts on electric reliability stemming from the implementation of expensive emission standards with technology that isn't commercially feasible at the levels mandated by the EPA. We need to encourage policymakers to prioritize rational public policy that recognizes the importance of always-available energy resources."



Use phone camera to scan QR code.

Voices for Cooperative Power is a grassroots network of electric cooperative members, dedicated to transforming rural and suburban communities, shaping the future of local electricity, and ensuring reliable power for all Americans.

For regular updates and to learn how you can help us protect reliability and affordable energy, sign up at [voicesforcooperativepower.com](https://www.voicesforcooperativepower.com). You can help our voices be heard.

FERC Ruling Reduces Sunflower Transmission Costs by 13%

The Federal Energy Regulatory Commission (FERC) recently approved Southwest Power Pool's (SPP) filing to share the costs of four power lines owned by Sunflower.

Due to Kansas' rich wind and solar natural resources, investors and developers continue to build renewable energy facilities across the state, particularly in western Kansas. In Sunflower's service territory, wind resources not owned by Sunflower have a generating capacity more than double Sunflower's annual peak load. The excess generation not used locally is exported using high-voltage transmission lines. The ever-increasing amount of power being generated and exported is causing transmission line congestion, triggering the need for new and upgraded transmission lines.

Currently, for transmission projects between 100 kV and 300 kV driven by the SPP planning process, 67% of the cost for new and upgraded transmission infrastructure to export the power generated from renewable energy resources falls on local ratepayers in the Sunflower zone (primarily central and western Kansas). The other 33% is shared by the entire 14-state SPP region.

COST ALLOCATION DISPARITIES

To put this in perspective, imagine Interstate 70 traffic between Kansas City, Mo., and Denver, Colo., has become so congested the U.S. Department of Transportation elects to add four more lanes to the existing highway. Now that the need has been established and the path has been planned, the question arises as to who should pay for the construction cost. In this scenario, studies show minimal benefits for the people of Kansas but overwhelming benefits to the transportation sector and for Denver and Kansas City because of the new ability to easily move products between the two cities and states. Most people would agree Kansas taxpayers shouldn't be burdened with a majority of the costs for an upgraded highway that benefits others more.

Similar to the I-70 scenario, more transmission is needed to move electricity to population centers, and while there are some ancillary benefits for local co-op members, large population centers are benefitting more from the renewable energy exported out of western Kansas. The I-70 analogy illustrates the stark reality that Sunflower and our member utilities grapple with in regard to the cost burden and who should shoulder the high costs for the construction transmission lines and upgrades and in what proportion.

The current SPP transmission cost allocation methodology works when ratepayers in the local zone gain the most benefits from a transmission project. However, western Kansas is unique because the imbalance between the cost-causers and the cost-payers of these four projects is large and unprecedented within the SPP. Sunflower's area has lots of wind energy but not enough local users, making it unfair for the local Sunflower zone to bear a majority of the costs. For nearly a decade, Sunflower staff persistently challenged the current cost allocation methodology at the SPP and demonstrated the unfairness of the cost assignments for four transmission line projects in our territory.

FERC APPROVES FILING

On May 31, 2024, Sunflower and our member-owners achieved a significant milestone in our efforts to get fair pricing. FERC accepted the filing by SPP to charge 100% of the remaining cost of Sunflower's four projects to the region. FERC agreed the costs of the transmission infrastructure need to match the benefits received. As a result of FERC's ruling, the Sunflower region will see a nearly 13% reduction in transmission costs, which totals approximately \$9.9 million annually.

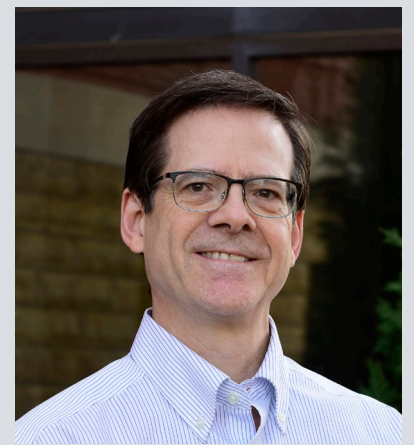
"The decision by FERC came after a long process that started at SPP in 2018," said Al Tamimi, Sunflower senior vice president and COO of transmission, who led the engagement at SPP to make cost allocation fair and reasonable to Sunflower's members. "We proved to SPP and FERC that transmission upgrades between 100 kV and 300 kV built mandated by SPP inside the Sunflower zone are mainly utilized by entities outside of the Sunflower zone. The supermajority of their benefits actually benefited electric consumers outside of the Sunflower zone."

Although the ruling is an important step for immediate rate relief on four completed projects, Sunflower continues our efforts to collaborate with SPP and its stakeholders for approval of a new SPP cost-allocation methodology enabling Sunflower to receive a fair cost allocation for future transmission projects.

"Sunflower's mission is to provide wholesale energy services at the lowest possible cost to our members," said Steve Epperson, Sunflower president and CEO. "We will continue to fight for our members and those they serve in central and western Kansas regarding fair cost allocations for any future SPP-mandated transmission upgrades."



Al Tamimi



Davis Rooney

Without a doubt, the dedication of Sunflower staff to secure fair cost allocations at SPP was instrumental in achieving rate relief for our seven member utilities.

As senior vice president and chief operations officer of transmission at Sunflower, Al Tamimi led a nearly decade-long effort to challenge the unfair burden placed on local ratepayers in central and western Kansas who were shouldering the majority of costs for new and upgraded transmission lines used to export renewable energy to large population centers outside the region. His persistent advocacy and leadership in engaging with SPP and its stakeholders culminated in the FERC approval. This landmark ruling is a direct result of Tamimi's unwavering commitment to ensuring the costs of infrastructure match the benefits received.

In addition to Tamimi, it was the in-depth financial analysis and actions of Davis Rooney, Sunflower vice president and CFO, who originally sparked Sunflower's pursuit of a fair and reasonable cost allocation at SPP. The work of Tamimi and Davis not only provided immediate relief but also laid the groundwork for future negotiations to establish equitable cost allocation methodologies for upcoming transmission projects. Their work continues to be a cornerstone of Sunflower's mission to deliver the lowest possible energy costs to our members.

Staying Cool Under Pressure

Employees Take Action in Medical Situation

In the whirlwind of daily tasks and deadlines, it's easy to forget the most important part of our jobs isn't always about what we do—but how we respond when the unexpected happens. For Maddy Otter, Charlotte Schulte, and Hannah Enslow from the Hays office, this truth became vividly clear.

It started like any other day with Maddy meeting with a fellow employee. But as soon as she arrived, it was clear something wasn't right. The employee reported feeling dizzy and nauseous, and it was immediately apparent it was more than just a passing ailment. Recognizing the seriousness of the situation, Maddy didn't hesitate. She quickly alerted her colleagues, Charlotte and Hannah, and the three sprang into action.

What followed was a textbook example of teamwork and staying calm under pressure. Without missing a beat, the trio coordinated efforts to ensure the safety and well-being of their coworker. They remained composed, called the appropriate authorities, and reached out to the employee's spouse, ensuring safe arrival to provide support.



Maddy Otter
Graphic Designer



Charlotte Schulte
Regulatory Affairs Administrator



Hannah Enslow
Release Administrator

Thanks to their swift response, the situation was managed smoothly, and we're happy to report that the employee is now doing well! This incident serves as a powerful reminder of the importance of staying cool under pressure and the incredible impact of working together as a team.



Above: Crews from some of Sunflower's member utilities responded to a mutual aid request from Aiken Electric Cooperative in South Carolina.

Kansas Electric Cooperatives Assist with Hurricane Helene Recovery

Crews from four Sunflower member cooperatives and a crew from Southern Pioneer Electric Company responded to a request from Aiken Electric Cooperative in Aiken, South Carolina, to provide mutual aid assistance after Hurricane Helene left a devastating path of destruction through their territory. More than 100,000 members of Aiken Electric were without power.

Fifteen Kansas electric cooperatives including 80 lineworkers left the Sunflower state on the morning of Oct. 3 with nearly 40 pieces of equipment—from bucket trucks to diggers to skid steers—to aid in Aiken's power restoration efforts.

At the height of the storm, Aiken Electric Cooperative reported 92% of its system was down, leaving only a few thousand members with power. The damage was so severe it was more accurately characterized as a complete system rebuild.

Electric utilities from the Sunflower family who responded to

the call for help were Lane-Scott Electric Cooperative, The Victory Electric Cooperative, Wheatland Electric Cooperative, Pioneer Electric Cooperative and Southern Pioneer Electric Company.

The electric cooperative mutual aid model allows electric cooperatives to help each other during times of need. This approach permits cooperatives to "borrow" restoration workers from other cooperatives, thereby increasing the workforce response to areas impacted by a major outage event. It's essentially about neighbors helping neighbors, even when those neighbors are fellow co-ops located hundreds of miles away.

Electric cooperatives were formed to provide reliable electric service to our members at the lowest reasonable cost, and mutual aid has been a fundamental part of our DNA since cooperatives were formed. The concept of mutual aid originated with the rural electrification efforts in the 1930s. From the very beginning, electric co-ops relied on each other to assist in times of need, and mutual aid provides an essential safety net in times of crisis.

High Plains ElectroRally Kicks Off 2024-25 Racing Season

Teams of Kansas High School Students Compete in Electric Car Races

Drivers, start your engines! These words are shouted at racetracks around the country, followed by a deafening roar of unmuffled motors and fans screaming with excitement. While you might play this scenario in your head, the start of the first race of the Kansas ElectroRally season does not require earplugs.

As the green flag waved to signal the start of the High Plains Rally on Thursday, Sept. 26, there was hardly a sound over the singing birds and the ruffling of leaves swaying in the gentle breeze at Frontier Park in Hays.

"Kansas ElectroRally is all about learning by doing as students get to build their own electric cars and see their ideas come to life on the track," said Oz Qureshi, president of Kansas ElectroRally. "They pick up skills in engineering, teamwork, and problem-solving that stick with them long after the race. It's fun, challenging, and gives them a taste of what's possible in STEM careers."



Scott Community High School students David Kasselmann, left, and Kelly Turner, right, visit with their driver Rylan Wilkinson before the start of the second race.

At the start of the two, one hour-long races, high school teams from across the state are challenged to temper speed and prepare their electric cars for an endurance test by efficiently calculating how to get the most laps out of their cars from a single battery charge.

These electric vehicles, or EVs, are single-driver, lightweight, aerodynamic, high-efficiency, electric cars with three or four wheels. Most teams build their cars from the ground up using lightweight components: aluminum frames, carbon-fiber bodies, and bicycle-style wheels and tires. Teams can enter their EVs in one of two classes—standard or experimental. Both standard and experimental class cars are battery-powered. Experimental cars can add solar panels for added power. These cars are capable of reaching speeds near 40 mph and can travel more than 25 miles during a race.

The ElectroRally program is designed to encourage and promote technical careers for high school students and expose them to Science, Technology, Engineering, and Math (STEM) through the design, construction, testing, and development of competitive electric vehicles.

The annual event, sponsored by Electrathon America and Kansas ElectroRally, is hosted by Fort Hays State University and supported by local utilities: Sunflower Electric Power Corporation, Western Cooperative Electric Association, and Midwest Energy. The event brought more than 150 students from high schools in Kansas and neighboring states.

The High Plains Rally was the first of four races for the 2024-25 school year and helps prepare teams for the competitive spring racing season that begins in April.

The competitive spring championship race series will begin with the Sunflower ElectroRally on April 10, 2025, at the Spencer Flight Center in Scott City, followed by the Touchstone Energy West ElectroRally on April 26 at Clearwater High School, and concluding with the Touchstone Energy East ElectroRally on May 5 at Liberty Memorial Park in Kansas City, Mo.

For more information, visit kansaselectrorally.org.

Our Members



A Touchstone Energy® Cooperative

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