

CURRENT

Spring 2024

For Our Member Systems, Employees and Friends



Project Announcement Event

Speakers for the Boot Hill Solar announcement included (front row) Shane Laws, Victory CEO; Steve Epperson, Sunflower president and CEO; Joann Knight, Dodge City/Ford County Development Corporation executive director; (back row) Brian McCurdy, Alluvial Power principal; Kan. Sen. John Doll; Wes Campbell, Sunflower board chairman; Todd Bartling, National Renewables Cooperative Association vice president of renewables development; and Corey Linville, Sunflower sr. vice president and COO of generation and power supply. Not pictured: Chris Boys, Ford County commissioner.



Above: Landowner Leonard Hampton picks up his appreciation gift from Dawsena Miller, Sunflower administrative services supervisor. Left: CEO Steve Epperson emcees the event. Right: Attendees learn more about why the Sunflower board chose to incorporate more solar into the system.



BOOT HILL SOLAR COMING NEAR DODGE CITY

Where there's sunlight, there are boundless possibilities. Sunflower Electric Power Corp., Alluvial Power, National Renewables Cooperative Organization (NRCO), and The Victory Electric Cooperative hosted more than 100 elected officials, media, and other guests on April 17 in Dodge City, Kan., for the official announcement of the Boot Hill Solar Project.

Construction of the state's largest solar facility by Sunflower's partner, Alluvial Power, will begin later this year and is expected to be operational in 2026. Alluvial will design, own, and operate the 150-megawatt facility, which will include approximately 300,000 solar panels on single-axis tracking.

"The Sunflower board analyzed the costs, risks, and benefits, ultimately determining additional solar will complement our already diverse electric generation portfolio," said Steve Epperson, Sunflower's president and CEO.

Sunflower is a generation and transmission cooperative providing wholesale energy to its seven member distribution utilities in central and western Kansas. Sunflower's members use the most electricity in July or August. Because this project will provide maximum output on the hottest days of summer when demand for electricity is at its highest and market energy prices can be volatile, energy from Boot Hill Solar will replace market energy, helping stabilize the cost of electricity for Sunflower's Members.

The strategic location of the project, one mile southeast of Dodge City, will also save on transmission infrastructure buildout and allow the facility to be operational sooner than other comparable projects.

"Sunflower's Member utilities will get 100% of the energy from the project. In totality, the value derived from energy, capacity, and transmission savings will help keep our Members' energy rates as affordable and stable as possible," said Corey Linville,

Sunflower's COO and vice president of generation and power supply, "and that, of course, is part of our mission."

The Boot Hill Solar Project will provide more than \$4 million to Ford County during its first 10 years of operation and more than \$1.5 million in local taxes every subsequent year it operates. In total, it is expected the project will contribute more than \$50 million in direct payments to Ford County. The project will also provide more than \$2 million to USD 443 during the first 10 years of operation, several permanent jobs, patrons for local business, and payments to participating landowners.

"As an elected official for Ford County, it is my responsibility to consider the larger picture and how projects will impact the county near-term and long-term," said Chris Boys, Ford County commissioner. "After evaluating all the information presented on this project before and during the permitting process, I join my fellow commissioners in supporting this project and the benefits it will bring to Ford County."

This project is Sunflower's third solar facility. The first was the 20-megawatt Johnson Corner Solar facility, which came online in 2020 near Johnson City, Kan., and the second was the Sunflower Electric Solar @ Russell Project—a 20-megawatt facility expected to be commercially available during the first half of 2025. NRCO, which Sunflower helped form in 2008, has assisted in the development of all three projects.

Shane Laws—CEO of Victory Electric, headquartered in Dodge City and one of Sunflower's member-owners—also joined in supporting the project.

"You don't have to spend much time here to know the cooperative spirit necessary to develop this region is alive and well. I'm proud to be a part of Dodge City, a part of Victory Electric, a part Sunflower, and a part of this project," Laws said.

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Sunflower Board of Directors names president, CEO

Steve Epperson takes the helm

It's been said the Midwest gets in a person's soul, and Steve Epperson, no doubt, agrees. After being raised in Nebraska and earning post-secondary degrees in Missouri and Illinois, Epperson worked in the electric industry in Oklahoma and Illinois. In 2011, he became the president and CEO of Pioneer Electric Cooperative and Southern Pioneer Electric Company, distribution utilities headquartered in Ulysses, Kan.

Having spent the last 12 years in Kansas, staying in Kansas came naturally when Epperson was named the new president and CEO of Sunflower in February of this year.

"I've been fortunate to travel many places," Epperson said, "and what I've learned is the work ethic, servant leadership, and authenticity of people who make up the Midwest are second to none. The Sunflower board has high expectations and criteria for this position, and I am both honored and humbled by their confidence in me to accomplish their vision for Sunflower's future and to spend more of my career and life in Kansas."

Epperson acted as the interim president and CEO since July and was chosen for the permanent position after a nationwide search beginning last fall.

"We had a pool of strong candidates for this position," said Wes Campbell, Sunflower's board chairman, "and the final nod went to Steve. He has effectively guided Sunflower since last July, and we believe his business knowledge, industry experience and expertise, servant leadership, and desire for excellence make Steve the person to lead Sunflower into the future."

He is the seventh president and CEO to serve in this position since Sunflower was formed by six distribution cooperatives in 1957.

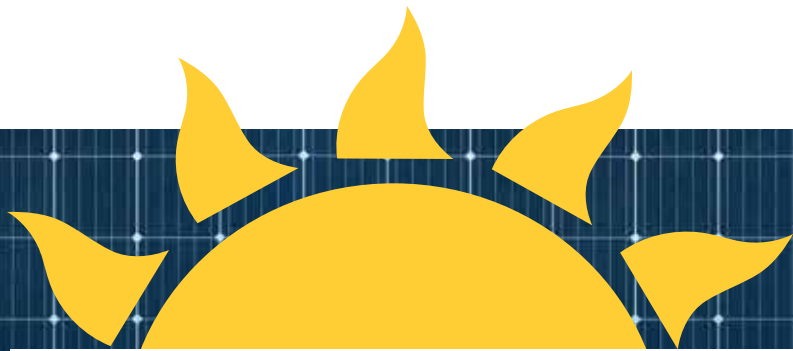
"Sunflower was founded on the seven cooperative principles, and those principles are still our North Star. We will keep learning from leaders and staff who have paved the way, capitalizing on new opportunities so we can continue providing our member-owners with reliable energy at the lowest possible cost," Epperson



Steve Epperson

said. "I promise to do my very best for Sunflower and our Members, but I'm sorry, what I can't promise is giving up my loyalty to the Nebraska Cornhuskers."

We don't understand about those Cornhuskers, Steve, but we will give you a big Kansas welcome to Sunflower anyway.



Sunflower Electric SOLAR @ RUSSELL

Here we go ... construction efforts have begun on the Sunflower Electric Solar @ Russell Project, located on 140 acres three miles west of Russell, Kan.

Sunflower is partnering with DEPCOM Power to design and construct the Russell project, which will produce approximately 53,000 megawatt hours annually, a total constituting 1% of the Sunflower system's total energy needs. The facility will have approximately 45,000 bi-facial solar panels on a single-axis solar tracking system.

Grading, pile installation, racking installation, electrical work, and foundations are underway and will be completed by mid-summer. Installation of solar modules will begin soon with completion anticipated in late summer.

The solar facility will provide energy during times of peak energy use, which aids in ensuring affordability and reliability. It will also reduce or eliminate the cost of expensive transmission upgrades due to its interconnection location on the bulk electric grid.

Sunflower and our Members will get 100% of the energy from the facility, expected to be commercially available the first part of 2025.



Our Mission

To provide reliable, long-term power supply and transmission services to our members and the people they serve at the lowest possible cost consistent with sound business and cooperative principles.

Summer reliability report shows favorable grid conditions in Sunflower, Member territories

Summer is on the horizon, and the North American Electric Reliability Corporation (NERC) published its annual report highlighting areas of concern regarding the reliability of the entire North American (across the U.S. and Canada) Bulk Power System (BPS) for the upcoming four-month (June-September) summer period.

FERC, NERC, and SPP

As a wholesale generation and transmission supplier, Sunflower coordinates with important entities to assess the seasonal readiness of the regional and national electric grids: the Federal Energy Regulatory Commission (FERC), NERC, and the Southwest Power Pool (SPP).

FERC is an independent agency of the U.S. government that oversees the power industry and gives NERC, an international regulatory authority, responsibility for developing and enforcing standards to ensure the reliability and security of the bulk power system. SPP, which coordinates electric reliability for a 14-state region in the central U.S., is a regional transmission organization (RTO) to which Sunflower belongs. FERC mandates SPP ensures the reliable supply of power, adequate transmission infrastructure, and competitive wholesale electricity prices.

NERC 2024 Summer Reliability Assessment

Like previous reports, NERC's 2024 annual Summer Reliability Assessment (SRA) provides an evaluation of generation resource and transmission system adequacy, as well as energy sufficiency to meet projected summer peak demands and operating reserves. With this information, electric utilities across the nation can identify and mitigate threats to electric grid reliability.

NERC's recent SRA shows all areas of the nation are predicted to have adequate energy resources during normal peak-load conditions from June through September. However, the SRA also indicated some areas of the nation face an elevated risk of electricity shortfall during extreme summer conditions. Fortunately, the SPP region, which includes the service territories of Sunflower and our Members, is not facing this elevated risk. SPP's anticipated reserve margin, the amount of energy projected above the region's usual seasonal demand for energy, is higher than last year due to higher expected wind contribution at peak demand and other resources capable of supplying SPP.¹

While SPP's region is not facing an elevated risk of shortfall during above-normal peak conditions, extreme weather conditions could still require operating mitigations. A combination of low wind energy output, unanticipated generation outages (e.g., unexpected repairs on a generating unit), and high energy demand periods might lead to energy shortfalls. If extreme weather, unexpected outages, or other circumstances do affect the region, SPP and its members (like Sunflower) have systems, tools, and procedures ready to mitigate risks and maintain electric reliability. Under different scenarios, SPP may call on its member utilities' generating units to run earlier or more often than usual, delay planned outages, import energy from neighboring systems, or tap into available reserves depending on the severity and duration of a reliability event.¹

Grid Reliability Increasingly More Challenging

Although NERC's SRA did not show elevated reliability issues in SPP's region this summer, a growing concern continues across North America regarding grid reliability, both for the near term and future. The state of the grid has become precarious due to inadequacies in natural gas pipelines; changing policy and regulations; and complications constructing transmission lines. In addition, a recent EPA ruling mandates increased emission restrictions on coal facilities and new natural gas generating units, which will impact grid stability since electric utilities are being incentivized to replace these "always on" resources with weather-dependent renewable resources.

"This latest (NERC) report highlights the importance of always-available energy as our nation works to keep the lights on," said NRECA's CEO, Jim Matheson, in a recent article by the national cooperative association. "That's particularly true as we look toward a future that depends on electricity to power more of the economy."

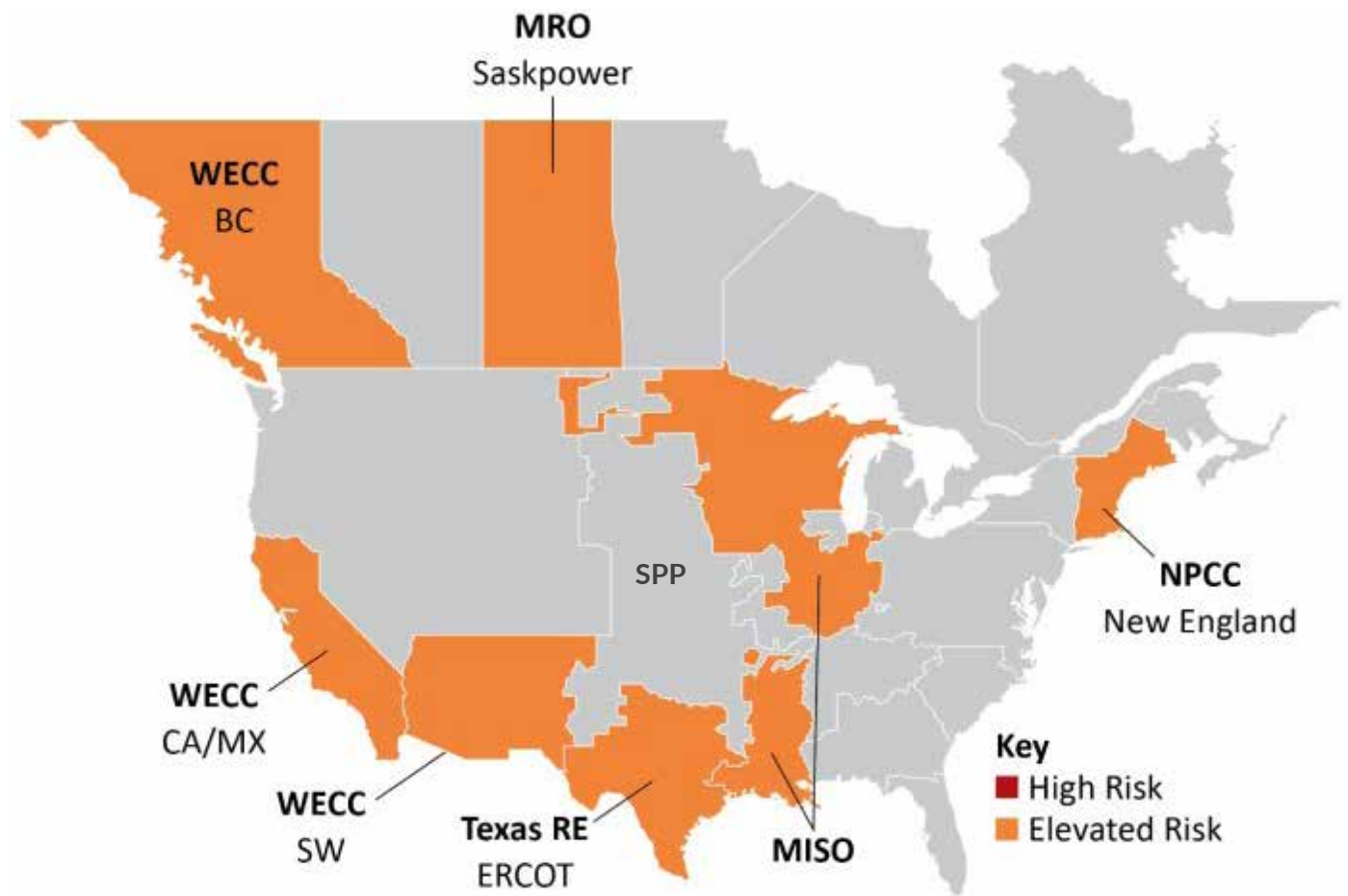


Figure 1: Summer Reliability Risk Area Summary

Seasonal Risk Assessment Summary	
High	Potential for insufficient operating reserves in normal peak conditions
Elevated	Potential for insufficient operating reserves in above-normal conditions
Normal	Sufficient operating reserves expected

Importantly, this report does not consider the impact of EPA's power plant rule, which will significantly undermine reliable electricity across the nation."²

Steve Epperson, president and CEO of Sunflower, also spoke to the importance of reliable energy. "Supplying reliable and affordable energy has always been our mission, and it's always been complex. However, the challenges are coming even more rapidly than ever," he said. "Rest assured, to meet our Members' long-term demand for electricity Sunflower's staff and board of directors will shore up our system for extreme seasonal operations and never let up the fight for reasonable energy regulations."

Sources:

¹North American Electric Reliability Corporation. (May 2024). "2024 Summer Reliability Assessment."

²Kelly, Erin. (2024, May 15). "NERC Summer Assessment Warns of Potential Power Outages in Several Regions." NRECA.

celebrating co-ops

... energy done right

Cooperative Principle NO. 7

Sunflower staff show concern for community



In this fast-paced world, kindness often takes a backseat to project deadlines and the daily grind. It's heartening to witness moments of compassion shining through, especially within our own workplace.

Today, we celebrate the selflessness and generosity of an individual within our midst, Coleton Rogge, whose recent act of kindness embodies the meaning of servant leadership.

"That's just who Coleton is; his actions speak volumes about his character and willingness to go above and beyond to help others."

Levi Unruh, Coleton's supervisor

On a chilly morning earlier this year, local citizens found themselves stranded on Kansas Highway 25, helpless against the icy grip of a snowdrift. It was in this moment that

journeyman line technician Coleton Rogge stepped in to lend a helping hand.

In an email received from a grateful citizen, she recounted the incident: her vehicle and another became stuck in a snow drift and were rescued by a white Sunflower truck. The driver, Coleton Rogge, not only assisted the stranded vehicles but also braved the biting cold to ensure everyone's safety.

Coleton humbly shared his perspective on the incident: "I was headed to work that morning and witnessed the accident. With traffic piling up and no law enforcement in the area, I, with the help of a local farmer, pulled out both vehicles. It was a really cold, nasty morning, and I didn't want to see anyone stuck in the weather any longer than needed. I'm just glad I could help."

Thank you, Coleton, for exemplifying Sunflower's culture TRAITS and for reminding us of the impact of a single act of kindness.

employees volunteered
570 HOURS
for community service leave
in 2023

- blood donations
- education & volunteering
- supporting area nonprofits
- ... and more!

"Sunflower's community service leave policy is an incredible benefit. It enables us to assist our communities and enrich the lives of employees and those they serve. Imagine the impact we would have if every employee fully utilized their hours. If this isn't another way to make western Kansas the #1 place to live and work, I don't know what is!"

Connor Phelan
Transmission Geotechnician

SPOTLIGHT ON COOPERATIVE CAREERS
Building a Better Future: powering the lives and economy of our local communities
www.sunflower.net/careers



ENVIRONMENTAL water & waste management

Sunflower's environmental coordinators for water and waste management help ensure compliance with applicable water, solid waste, Kansas water withdrawal, Endangered Species Act, National Environmental Policy Act (NEPA) and other environmental regulations.

"My work is not just desk life; I regularly travel to other generation facilities for inspections. Our team is one of the most supportive and inclusive groups with whom I've ever worked."

- Jennifer Leach, environmental coordinator water & waste management

"I like my job because every day brings new challenges and issues to resolve. The work I do interests me and inspires me to keep learning."

- Kandi George, environmental coordinator, water & waste management

Our Members



The Current is published three times per year for the Member systems, friends and employees of Sunflower Electric Power Corporation.

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