

Thumbs Down on Sunflower



GOVERNOR EXPLAINS ACTION

BY MARTIN ROSENBERG

KANSAS CREATED QUITE A STIR IN THE ENERGY industry when it recently decided to nix the proposed construction of two coal-fired generation plants in the sparsely populated southwest part of the state, saying that its emissions would contribute to global warming. Contributing to the decision was the fact that most of the electricity to be generated by the plant would be exported out of the state.

Given the significance of the case, *EnergyBiz* asked Gov. Kathleen Sebelius to respond to several written questions. Her answers follow.

ENERGYBIZ United Nations Secretary General Ban Ki-moon has described climate change as "the defining challenge of our age." Do you agree?

SEBELIUS Climate change is the challenge of our age because it will require the entire world to work together toward the common goal of protecting our planet.

The Intergovernmental Panel on Climate Change just released its fourth synthesis report and they documented an 80 percent increase in carbon dioxide emissions since 1970.

They list a number of likely results of the climate change, including more severe droughts across the world, more severe flooding and other weather impacts. If the United States does not take the lead in this effort, there's simply no way that the entire world will agree to tackle this problem.

ENERGYBIZ What responsibility does state government have for dealing with climate change caused by greenhouse gas emissions?

SEBELIUS I am disappointed with the federal Environmental Protection Agency's inaction to address climate change. Creating a patchwork of regulatory interventions across the nation on a state-by-state basis is not an optimal approach to this national and, ultimately, international problem. However, until the federal government takes action, states will continue to step up.

A vital step is to enact federal greenhouse gas policy, which sets goals to lower emissions for the next several decades. A key component of enforcement is carbon tax or cap-and-trade policy on both new and existing coal plants and other greenhouse gas emitters. Putting a price on GHG emissions is essential if we are to move toward a low-carbon economy.

While pushing for GHG emissions policy at the federal level, at the state level I want to see us get through this transition period by focusing on adding a realistic degree of renewable energy in conjunction with building a strong conservation ethic into our value systems at home, businesses, and throughout government institutions.

ENERGYBIZ Do you believe that Kansas needs to build more electricity generation facilities?

SEBELIUS As we focus on our goal of limiting GHG emissions, we should take advantage of the tremendous opportu-



nities to reduce our energy needs through energy efficiencies. Increasing the efficiency of energy use, without reducing productivity, will save consumers and businesses money on their energy bills while reducing the need to construct new power plants. I endorse the 20 percent energy efficiency goal by 2020 adopted by the Western Governors' Association. As part of our efforts to meet that goal, I adopted an executive directive requiring a 10 percent increase in the EPA mileage for state vehicles by 2010, and increasing energy efficiencies in buildings that the state either leases or owns.

Energy efficiencies, combined with renewable energy, should be able to meet our short-term energy needs until commercial carbon sequestration is a reality. Having said that, I recognize that we are in a transitional period right now where we are just beginning to tap into the potential of efficiencies and renewables. During this period, we may need to construct new plants to meet current energy needs. If we build new plants, they need to be as small as possible, with the best technology and companion plans to mitigate the carbon.

ENERGYBIZ If so, what share of it should come from nuclear, coal, natural gas, wind and solar generation?

SEBELIUS Currently, Kansas' energy portfolio is too heavily sided toward coal. While the nation receives only half of its energy from coal, here in Kansas, we receive 75 percent. The slightest shift in the carbon market would impact Kansas consumers and businesses dramatically.

That's why we need to balance our portfolio out with non-carbon source forms of energy, like wind. I will continue to bring people to the table to have a discussion on what energy mix is right for Kansas.

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ENERGYBIZ Do you think carbon sequestration technology will soon be a reality? How does that affect your view on the desirability of the proposed Sunflower coal project?

SEBELIUS Everything we've read about carbon sequestration suggests that it will not be a commercial reality for another 10 years.

While the current technology has not yet been successful to eliminate large amounts of carbon emissions, additional research and experimentation are essential.

We are hopeful that Kansas can be at the forefront of these efforts which is why I signed legislation which provides incentives for the carbon sequestration.

ENERGYBIZ Many utilities are exploring development of new nuclear power plants. Would you like to see more nuclear power generation in Kansas?

SEBELIUS This past legislative session I signed a bill which provides a property tax exemption for new nuclear generation facilities within three miles of an existing nuclear facility, and exempts such facilities from various siting requirements. There is still significant concern about storage issues for spent rods which needs to be explored.

ENERGYBIZ Federal studies show that Kansas could be a leader in wind generation given wind resource patterns. What should be done to promote wind generation in the state?

SEBELIUS This past May, I negotiated an agreement with the leaders of the major utilities serving Kansas to reach goals of 10 percent generating capacity from wind by 2010 and 20 percent by 2020.

The combination of existing wind projects – those already announced, under construction, and requests for proposals for future development – virtually assure that we will exceed the 2010 goal and will be well on our way toward meeting the 2020 goal.

ENERGYBIZ One limiting factor for wind generation is adequate transmission lines. The wind often does not blow where people live. Do you support more robust investment in transmission lines to address this situation? Do you think Kansas wind could one day help power Dallas, Chicago and Denver?

SEBELIUS I have included money in my budget to plan for transmission lines to move electricity from Kansas wind farms to Kansas customers.

Recently, the Southwest Power Pool approved two new transmission projects in Western and Central Kansas. These new transmission lines will help Kansas harness our abundant wind potential and serve as a catalyst for alternative energy sources in the future.

ENERGYBIZ The Kansas decision to not allow construction of the proposed two new Sunflower coal-fired generation plants has attracted national attention. Is there a danger that the decision could be perceived as "anti-growth" or "anti-business"?

SEBELIUS We are eager for new business opportunities and new jobs in Kansas and are pleased to have a recovering economy with opportunities for new industries to emerge.

In addition to harnessing our enormous potential for wind energy, our ethanol industry continues to grow. A few weeks

after the coal-fired power plant was rejected, the Kansas Department of Health and Environment approved a new ethanol plant, signaling that Kansas is open for business.

In the past five years we've seen tens of thousands of Kansans go back to work, maintained an unemployment level below the national average and steered our budget clear of a billion dollar debt – all without drastically deepening our carbon footprint.

We will continue to work to bring new jobs to all areas in Kansas while protecting the health and safety of our citizens.

ENERGYBIZ Other comments?

SEBELIUS It is true that Kansas ranks 10th in per capita carbon dioxide emissions. It is also true that Kansas ranks 25th among the states in total carbon dioxide emissions. These statistics reflect the enormous opportunity we have to reduce emissions by focusing on energy conservation and efficiency in all sectors of our economy.

The question of where we get our energy is therefore no longer just an economic issue, nor solely an issue of national security. Quite simply, we have a moral obligation to be good stewards of this state, because we are only here for a short time and we will ultimately pass it on to our children.

We are called on by the future to act now to meet this challenge, and to take advantage of the amazing opportunity Kansas has to become a leader in the production of renewable energy.

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