

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512

August 24, 2007

TO: AGENCY DISTRIBUTION LIST

REQUEST FOR AGENCY COMMENTS ON THE PRELIMINARY STAFF ASSESSMENT FOR THE EASTSHORE ENERGY CENTER PROJECT (06-AFC-6)

The enclosed Preliminary Staff Assessment (PSA) contains the California Energy Commission staff's initial engineering and environmental evaluation of the Eastshore Energy Center (Eastshore) project. This PSA finds that:

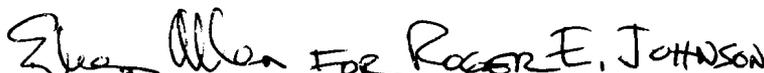
- The project would result in significant adverse indirect and cumulative impacts on Land Use and Traffic and Transportation by interfering with or unduly restricting the existing and future uses of the Hayward Executive Airport and the surrounding airspace.
- The project does not conform to the purpose or requirements of several City of Hayward laws, ordinances, regulations and standards (LORS), or with the purpose of the City of Hayward Airport Approach Zoning Regulations (HMC(c), §10-6.00).

On September 22, 2006, Eastshore Energy, LLC (owner) filed an Application for Certification (AFC) for the Eastshore project. The AFC seeks approval from the California Energy Commission to construct and operate a nominal 115.5 megawatt (MW) power plant consisting of 14 natural gas-fired reciprocating engine-generator units each rated at 8.4 MW. Eastshore is designed as a 115.5 MW nominal capacity intermediate/peaking load facility which has been proposed to serve load demands of the cities of Hayward, Fremont, and San Leandro in the southern East Bay area and also the load demands of the City of San Mateo in the San Francisco Peninsula due to its unique location and the existing transmission network. Under certain conditions the Eastshore project could be the only major generator providing electricity to the Hayward area. As described in the AFC, Eastshore's quick start capability is designed to respond to unexpected changes in regional demands from higher-than-expected summer temperatures, other facilities tripping off line, or sudden changes in renewable power generation.

We request that you review the enclosed PSA for the areas for which your agency would normally be responsible but for the Energy Commission's permitting authority. Please provide any written comments to Bill Pfanner, Siting Project Manager by Monday, September 17, 2007. You may also present your comments at a public workshop on the PSA that will be conducted on September 6, 2007 at the Hayward City Hall. The workshop will be separately noticed. Comments received will be used for preparing the Final Staff Assessment which will be staff's testimony in evidentiary hearings.

If you desire information on technical or project schedule issues, or how to participate in the Energy Commission's review of the project, your questions should be directed to Bill Pfanner at (916) 654-4206 or at bpfanner@energy.state.ca.us. The status of the project, an electronic copy of the AFC, copies of notices, and other relevant documents are also available on the Energy Commission's web site at <http://www.energy.ca.gov/sitingcases/eastshore>.

Sincerely,


Roger E. Johnson
Siting and Compliance Office Manager

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DATE	AUG 24 2007
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Enclosure