

CALIFORNIA ENERGY COMMISSION

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October 4, 2006

To: MEMBERS OF THE PUBLIC

PUBLIC PARTICIPATION IN THE REVIEW OF THE EASTSHORE ENERGY CENTER, APPLICATION FOR CERTIFICATION (06-AFC-6)

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06-AFC-6	
DATE	OCT 4 2006
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On September 22, 2006, Eastshore Energy, LLC, a wholly-owned subsidiary of Tierra Energy, submitted an Application for Certification (AFC) to construct and operate a simple-cycle (peaking) power plant, the Eastshore Energy Center (Eastshore), in the City of Hayward.

The Eastshore generating facility would be a nominal 115.5 megawatt (MW) simple cycle power plant consisting of 14 Wartsila 20V34SG natural gas-fired reciprocating engine generators and associated equipment. The Eastshore project is designed as a peaking facility to meet electric generation load during periods of high demand which generally occur during daytime hours, and more frequently during the summer than other portions of the year. The project is expected to have an annual capacity factor of approximately 45 percent, depending on weather-related customer demand, load growth, hydroelectric supplies, generating unit retirements and replacements, the level of generating unit and transmission outages, and other factors.

The Eastshore site is located at 25101 Clawiter Road in the City of Hayward, Alameda County, in an area zoned for industrial uses. The project site is a 6.22-acre parcel owned by Eastshore Energy. A large industrial building and asphalt pavement currently occupy the parcel. The site is currently being leased by Eastshore Energy to third parties for general warehousing but all leases will be terminated in fall 2007, prior to the commencement of construction. Construction of the Eastshore project would include demolition of the existing building, foundation and paved surfaces. A 4.65 acre area owned by Berkeley Farms located across Clawiter Road will be leased to Eastshore Energy for temporary construction and laydown during the construction and commissioning period.

The Eastshore facility would use approximately 1.6 acre-feet of potable water per year for engine cooling and other power plant processes, site landscape irrigation and potable and sanitary uses. A closed loop engine cooling system would reduce the requirement for water and result in consumption of approximately 1.0 gallons per minute during plant operation. The City of Hayward would supply potable water for the project through an existing connection immediately adjacent to the project site under a contract with the City of San Francisco's Public Utilities Department.

Sanitary wastewater would be discharged to the Hayward city sewer system via an existing onsite sewer connection. Process wastewater would be tested for potential contamination and under normal conditions, would also be discharged to this sanitary

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sewer line. If the wastewater composition is determined to exceed allowable discharge limits, it would be transported off site for treatment and disposal.

The Eastshore facility would be connected to Pacific Gas & Electric's (PG&E) electrical system at the existing Eastshore Substation which is located approximately 1.1 miles south of the project site. This connection will require a new single circuit overhead 115-kiloVolt (kV) line that will run contiguously in an existing PG&E 12kV distribution corridor. The connection may also require widening the existing right of way and replacing 10 to 12 transmission poles with structures designed to accommodate both the 12kV and 115kV transmission lines.

Natural gas would be supplied to the Eastshore facility via a 200-foot pipeline connection to PG&E's Pipeline 153 that is on the opposite side of Clawiter Road from the Eastshore site.

Air emissions from the proposed facility would be controlled using best available control technology applied to each engine's exhaust. Each system would consist of a selective catalytic reduction unit for oxides of nitrogen (NO_x) control and an oxidation catalyst unit for carbon monoxide (CO) and precursor organic compounds (POC) control. Final permitting by the Energy Commission would reflect conformance with rules and regulations of the Bay Area Air Quality Management District (BAAQMD) and include the issuance of a Determination of Compliance from BAAQMD.

Assuming the Eastshore facility receives a license from the Energy Commission by December 2007, construction of the project would start in early spring 2008 and continue for approximately 18 months. Plant testing and commercial operation are scheduled to begin during the latter months of 2008. Full operational capability is anticipated by May 2009.

Energy Commission's Facility Certification Process

The Energy Commission is responsible for reviewing and ultimately approving or denying all applications for construction and operation of thermal electric power plants, 50 MW and greater, proposed for construction in California. The Energy Commission's facility certification process carefully examines public health and safety, environmental impacts and engineering aspects of proposed power plants, and all related facilities such as electric transmission lines and natural gas and water pipelines. The Energy Commission is the lead agency under the California Environmental Quality Act (CEQA), but produces several environmental and decision documents rather than an Environmental Impact Report.

Public Participation

Over the coming months, the Energy Commission will conduct a number of public workshops and hearings on the proposal to determine whether the project should be approved for construction and operation and under what set of conditions. These

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workshops will provide the public as well as local, state and federal agencies the opportunity to ask questions about, and provide input on, the proposed project. The Energy Commission will issue notices for these workshops and hearings at least 10 days prior to the meeting. If you are not currently receiving these notices and want to be placed on the mailing list, please contact Geoff Carter, Project Secretary, at (916) 651-9410, or by e-mail at gcarter@energy.state.ca.us. You can also subscribe to receive e-mail notification of all notices at <http://www.energy.ca.gov/html/listservers.html>.

If you desire information on participating in the Energy Commission's review of the project, please contact Margret Kim, the Energy Commission's Public Adviser, at (916) 654-4489 or toll free in California, at (800) 822-6228. Technical or project schedule questions should be directed to Lorne C. Prescott, Energy Commission Project Manager, at (916) 654-4640, or by email at lprescot@energy.state.ca.us. The status of the project, copies of notices, and other relevant documents are also available on the Energy Commission's Internet web site at <http://www.energy.ca.gov/sitingcases/Eastshore/index.html>. News media inquiries should be directed to Assistant Director, Claudia Chandler, at (916) 654-4989.

Note: Please retain this letter behind the front cover of the AFC. Thank You.