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Eastshore Energy Center to Provide Local, Reliable Power Supply to Hayward

HAYWARD, Calif. (September 22, 2006)—Eastshore Energy, which signed a 20-year power purchase agreement with Pacific Gas & Electric Company (PG&E) in April, 2006, announced today that it has applied for certification to build the \$140-million Eastshore Energy Center, an electric generating facility, in Hayward, California. The Eastshore Energy Center will supply reliable back-up power for the Hayward community and to improve the reliability of PG&E's power delivery system for the East Bay region and the greater Bay Area.

The Eastshore Energy Center will be constructed in an industrial area of Hayward near PG&E's Eastshore substation on the site of a former metal stamping facility on Clawiter Road.

The Eastshore Energy Center, which will become operational in 2009, will supply up to 115.5 megawatts of electricity—enough to power approximately 85,000 homes—to PG&E's customers and will only operate when demand for energy peaks. The new facility will ensure that the energy needs of the Hayward area are met during these peak demand periods—for instance, to power air conditioners on hot weather days.

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The Eastshore Energy Center will be constructed using state-of-the-art air emissions control technology. Engines will be cooled by a closed-loop water system, limiting annual average water consumption to less than that of five residences. The facility's engines will be housed in a low-profile, warehouse-style building consistent with the site's industrial location and zoning. PG&E will supply natural gas to the Eastshore Energy Center through an existing gas pipeline.

The facility will use natural gas-fueled power generation technology, comprised of 14 Wärtsilä reciprocating engines, that provides excellent quick-start and peak-power performance in response to rapid increases in demand.

David Marks, president of Tierra Energy, said Eastshore is committed to being a good citizen to its new Hayward neighbors. "The Eastshore Energy Center will create both temporary construction jobs and permanent operating positions and will contribute significantly to the local tax base," Marks said. "We are delighted to bring Hayward and the East Bay Region this reliable and efficient power generating facility."

Scott Raty, executive director of the Hayward Chamber of Commerce, said: "We look forward to having local electric generation to increase reliability for Hayward residents and businesses. We believe that this facility will be an important tool in maintaining and attracting businesses—to which dependable power is a high priority—to our city."

Eastshore Energy is a subsidiary of Tierra Energy, an innovative Texas-based firm that specializes in wind and natural gas-fueled power generation.