

For Immediate Release
May 15, 2006

Contact: Jack M. Colbourn
415-749-4900
jcolbourn@baaqmd.gov

PG&E Hunters Point Power Plant Officially Closes
Air District provisions and retrofit of remaining S.F. power plant hasten the closure of the 48 year-old PG&E facility

SAN FRANCISCO, CA (May 15, 2006) – Pacific Gas and Electric Company (PG&E) has announced the permanent shutdown of the Hunters Point Power Plant (HPPP) in San Francisco, scheduled for May 15, 2006.

“We join PG&E and the South East San Francisco community in celebrating the closure of this power plant,” said Jack P. Broadbent, Executive Officer of the Air District. “To be more protective of public health, the District added key provisions to the plant’s Title V permit that would expedite its closure soon after the California Independent Systems Operator (CAL-ISO) deemed the plant as no longer essential to the power needs of the area,” Broadbent added, “and we’ve finally reached that stage.”

The 48-year old 170 Megawatt (MW) power plant is one of only two major power plants in the City. (A 170-MW plant typically can serve about 130,000 homes.) All combustion equipment, including the 170-MW boilers and two standby gas turbines (26-MW each) will be permanently shutdown by May 15. While PG&E has maintained compliance with the increasingly stringent air emission requirements of the Air District, the economics of maintaining the aging electric utility boiler and its need for additional emission controls, as well as addressing the concerns of the City and local community, all have apparently made continued operation of the facility unattractive.

In order to be released from its Reliability Must Run (RMR) contract with the ruling California Independent System Operator (CAISO) and thus allow the shutdown of the Hunters Point plant, PG&E had to complete a number of transmission line upgrades so that reliable replacement power could be made available.

With all requested reliability projects completed, the CAISO has granted PG&E its release from its RMR contract, effective at the close of business on May 12, 2006, and thus has cleared the way for the permanent shutdown of the entire Hunters Point Plant. As noted above, PG&E intends to permanently shutdown the Hunters Point Plant on May 15, 2006.

District staff facilitated the emission control retrofit of the remaining S.F. power plant, the Potrero facility, which has resulted in an over 90 percent reduction from its historical emission rates, nearly approaching the levels of a new, well-controlled power plant. This Potrero retrofit in turn has facilitated the shutdown of the Hunters Point plant. To help in that latter regard, the District, with the agreement of PG&E, incorporated a condition in the Hunters Point operating permit calling for the permanent shutdown of the facility upon the termination of the CAISO RMR contract. Indeed, the District has been supportive of PG&E, the City, and the community in reaching their common goal.

###