

July 21, 2009
Electric Power Development Co., Ltd.

Construction Started on U.S. Orange Grove Power Station

- First new greenfield development project in North America -

Electric Power Development Co., Ltd., (J-POWER, President: Masayoshi Kitamura) through its North American subsidiary commenced construction of the Orange Grove Power Station (Orange Grove Energy: output 95MW, natural gas simple-cycle) on July 20 located in Pala (about 80km north of the City of San Diego), California in the United States.

J-POWER was awarded development rights for a new urgent source of electric power in a tender offered by San Diego Gas & Electric (SDG&E), an electricity and gas supplier servicing Southern California. The new plant is expected to begin commercial operation in January 2010 upon completion of construction and installation work. After supplying all generated power to SDG&E exclusively for a period of 25 years after the start of operation, J-POWER will transfer the facility to SDG&E (BOT method).

The reasons leading up to J-POWER's decision to go ahead with the development project, which is now under construction, were:

- (1) It is able to meet the local needs by securing peak electric power supply at an early date.
- (2) There is no fuel supply risk since SDG&E will supply gas.
- (3) The knowledge J-POWER will acquire through this project during each stage of the project - development, construction, and operation - will contribute to J-POWER's future IPP business in the United States.

This project is J-POWER's first new greenfield development project in the United States and brings the number of its IPP business in North America to 10. Worldwide, it brings J-POWER's investment in IPP business to 23 projects in operation and four projects under construction in seven countries and regions.

J-POWER's IPP Business History in the U.S.	
January 2005	Established a local entity to pursue IPP projects in the United States
May 2006	Acquired an equity interest in Tenaska Frontier Generating Station
January 2007	Acquired an equity interest in Elwood Energy, LLC
May 2007	Established USA Generation, a joint venture with John Hancock Life Insurance Company
September 2007	USA Generation acquires 100% equity interest in Green Country
May 2008	On its own, J-Power acquires an equity interest in Birchwood Power Partners, L.P.
December 2008	USA Generation acquires an equity interest in three gas-fired power plants in the eastern part of the U.S.
June 2009	USA Generation agrees to acquire an equity interest in two gas-fired power plants in Long Island, NY

<Attached Material>

Outline of the Orange Grove Power Station

(Attached Material)

Outline of the Orange Grove Power Station

Location	Pala (San Diego County), California (About 80 km north of the City of San Diego)
Type of Project	BOT (Build, Operate and Transfer) To be transferred to San Diego Gas & Electric Company (SDG&E) 25 years after the commercial operation date
Type of Power Generation	Simple-cycle gas turbine
Capacity	95MW (gas turbine x 2 units)
Power Purchaser	SDG&E
Power Purchase Agreement Period	25 years after the commercial operation date
Fuel	Natural gas (to be supplied by SDG&E)
Commercial Operation Date (scheduled)	January 2010
Name of the project company	Orange Grove Energy, L.P.
Operation and Maintenance Company	J-POWER Orange Grove Operations, LLC (a 100% subsidiary of J-POWER)



Location map of the power station



Groundbreaking ceremony of the Orange Grove Power Station