

Grays Harbor Ocean Energy Company, LLC.

For Immediate Release

Seattle, August 4, 2008

Preliminary Permit Issued for the Grays Harbor Ocean Energy Project

Washington State now has its tenth permitted ocean renewable energy project. On August 1, 2008, the Federal Energy Regulatory Commission (FERC) issued Preliminary Permit No. P-13058 for the Grays Harbor Ocean Energy Project in Washington State.¹ The Grays Harbor Ocean Energy Company, LLC (“the Company”) applied for the permit to develop a license application to generate 6 MW of clean renewable electric power from ocean wave energy off the coast of Washington near the towns of Westport and Ocean Shores.

The Preliminary Permit grants the Company the exclusive right for 3 years to study the proposed site and develop a complete application for a commercial power generation license. The permit does not authorize any construction and requires the Company to engage with local authorities and obtain all other necessary local, state and federal permits.

The outer coast of Washington has the most wave energy of any coast in the USA except southeast Alaska. Importantly, this energy is close to the major electricity markets of Portland, Oregon and the Seattle/Tacoma metro area. Washington already has the first wave energy project in the USA, a demonstration project of four floating wave energy generation buoys, located in Makah Bay on the northwest tip of Washington’s Olympic Peninsula.² The project has completed a preliminary environmental impact statement. Wave energy generation projects are also under development in California, Oregon and British Columbia.

The Grays Harbor project proposes to install two platforms standing on the seabed in 90 feet of water about 2.8 miles off the coast. The platforms support large vertical air tubes in which wave action causes the air in the tube to rush up and down. This drives an air turbine inside the top of the tube above the maximum wave height. Called “Oscillating Water Column” technology, it has been successfully demonstrated by WaveGen, Ltd. in the UK,³ and Oceanlinx, Inc. in Australia,⁴ among others. The Company estimates that each of the two proposed platforms will generate 3MW/hr of power, enough for about 1000 homes each.

The platforms use “jack-up” legs that enable them to be floated into place then lifted above the waves. They can be installed or removed in one day. There are no moving parts below the water and no way the devices can injure fish, crabs, birds or marine mammals. As is the case with

¹ <http://www.ferc.gov/industries/hydropower/indus-act/hydrokinetics/permits-pending.asp>; see 2007 tab

² http://finavera.com/en/wave/makah_bay

³ <http://www.wavegen.com/>

⁴ <http://www.oceanlinx.com/>

almost all existing offshore structures, the proposed platforms will become artificial reefs that provide habitat and increase local fish populations.

The platforms can also support wind turbines. Wind power generation is not regulated by the FERC and is not included in the preliminary permit issued to the Company. Because the platforms are less than 3 miles from shore, wind turbines on them would be clearly visible from shore. The Company is discussing with local authorities the possibility of a temporary demonstration of a wind turbine on one of the platforms.

The Company is also exploring the feasibility of generating more power 10-15 miles offshore using the same platform technology to support large wind turbines. Early results indicate that it is technically feasible to generate over 2000 MW of clean renewable electric power, enough for the cities of Seattle and Tacoma combined, from just two wind farms off the coast. Development of ocean energy beyond the 3-mile limit of state waters will be regulated by the Mineral Management Service of the US Department of the Interior. The most advanced offshore wind project in the USA is the “Cape Wind” project in Massachusetts. Twenty-nine offshore wind projects are now proposed in North America⁵ and dozens of projects are now operating or under construction in northern Europe. Floating wind turbine “farms” are now in development and will eventually provide significant renewable power to coastal societies.⁶

This is the tenth preliminary permit for ocean energy generation to be issued by the FERC for Washington state. Besides the Makah Bay project described above, the Snohomish Public Utility District has received 7 preliminary permits for tidal power projects in Puget Sound and the San Juan Islands, and a private developer has received a preliminary permit for a tidal power project in Willapa Bay on the outer coast. Tacoma Power received a permit for a tidal power project but has decided not to continue with it. State and federal agencies are actively engaged with the projects to ensure they are developed in an environmentally sustainable manner.

According to company founder and president Burton Hamner, “The ocean off of Washington state has the potential to provide all the electricity needed for the western half of the state by 2025. We are leading the investigation how to make this a reality and encourage everyone interested in locally-generated clean power to learn more about the possibilities.”

A website about the Grays Harbor Ocean Energy Project has been created at www.graysharboroceanenergy.com.

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⁵ <http://offshorewind.net/>

⁶ http://www.statoilhydro.com/en/NewsAndMedia/News/2008/Pages/hywind_fullscale.aspx