

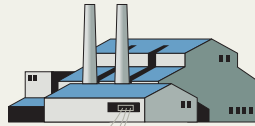
How Power Flows in California



THE CALIFORNIA ISO TRANSMISSION NETWORK is a long-distance, high-voltage transmission system that delivers wholesale electricity to local utilities for distribution to 30 million Californians. The California ISO control area is one of the largest in the world, encompassing three quarters of the state and delivering approximately 200-billion kilowatt hours of electricity each year.

Power Plants

Electricity is produced by a variety of resources, including natural gas-fired generators, hydroelectric units, nuclear stations, wind farms, geothermal fields, solar facilities and biomass plants. Approximately 1,400 power plant units with more than 55,000 megawatts of electrical capacity are connected to the California ISO grid.



Wholesale Power Market

Utilities and other energy service providers use their own power plants or negotiate short- and long-term contracts for power deliveries. Most of the electricity is traded through these contracts prior to being scheduled on the California ISO grid.



Scheduling Coordinators

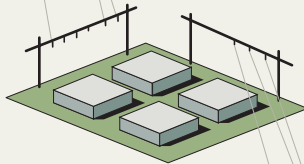
The 90 companies that schedule their electric deliveries through the California ISO are called Scheduling Coordinators or SCs.

California ISO / High Voltage Transmission System

As the nerve center for the majority of California's power grid (some municipal utilities operate their own transmission lines), the California ISO routes electricity across 25,526 circuit-miles of power lines buttressed by 100-150 foot metal towers.

Substations

Power is "stepped down" in voltage for distribution by local utilities to end-users.



Consumers

End-users of electricity create the "demand" for power, which can rise and fall depending on weather, time of day and economic conditions. Consumers may be asked to conserve when demand is high or supply is low.



Utility-Controlled Distribution System

Power lines, supported by wooden poles or built underground, transport electricity from substations to homes and businesses.

