



NEWS RELEASE

FOR IMMEDIATE RELEASE
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CONTINUING HEAT PROMPTS CAL-ISO TO INITIATE STAGE ONE SYSTEM EMERGENCY Investor-Owned Utilities Called On to Encourage Customers to Conserve Power

(Folsom, CA) The California Independent System Operator (Cal-ISO) is asking investor-owned utilities to urge their customers to conserve energy. The request comes as the state faces yet another day of high temperatures as a heat wave lingers over California. Neighboring states are also suffering from the hot weather and accompanying heavy demand for electricity, which means surplus power plant generation is in low supply. The Cal-ISO is gearing up for a day expected to bring the highest consumption of electricity since the state opened its power grid to competition. Peak demand could reach 44,200 megawatts today on the Cal-ISO power grid. Previously, before the state opened its electricity industry to competition, the non-simultaneous record peak demand for areas served by Pacific Gas & Electric, Southern California Edison and San Diego Gas & Electric was 44,650 megawatts (summer of 1997).

A Stage One Emergency is initiated to advise the public of potential power shortages and to ask all customers to conserve electricity in order to ensure there will be enough power to meet future demand. The request for demand reduction is not intended to disrupt employment or curtail industrial production or commerce. However, if the conservation measures are insufficient in lowering the demand for power, load management programs that implement voluntary curtailments of power are probable. The Cal-ISO will acquire by any means, including non-competitive bid, additional resources in an amount sufficient to maintain minimum operation reserves.

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STAGE ONE-2-2-2

Cal-ISO is chartered by the state to manage the flow electricity along the long-distance, high-voltage power lines that make up the bulk of California's transmission system. The not-for-profit public-benefit corporation assumed the responsibility in March 1998 when California opened its energy markets to competition and mandated the investor-owned utilities turn their private transmission power lines over to the Cal-ISO's public power grid. The mission of the Cal-ISO is to safeguard the reliable delivery of electricity and ensure equal access to the state's "electron highway", which spans 124,000 miles or three-quarters of the state. The Cal-ISO is the second largest control area in the U.S. and the fifth largest in the world. Its computerized control center is located in Folsom, 22-miles from the capital city of Sacramento.

Other helpful contacts:

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