



NEWS RELEASE

FOR IMMEDIATE RELEASE

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STAGE ONE OF ELECTRICAL EMERGENCY PLAN ACTIVATED FOR THIRD CONSECUTIVE DAY Continuing High Temperatures Throughout the Western States Limit Electricity Reserves

(Folsom, CA) A Stage One Emergency was issued today by the California Independent System Operator (California ISO), urging consumers to conserve power again for the third consecutive day. Electric reserves continue to be in short supply from the Northwest to the Southwest as a heat wave continues to permeate the West.

Electrical demand within the state is great due to high temperatures in the valley coupled with continuing hot and humid conditions in Southern California. The imported power California normally counts on from its neighbors is severely limited because their own high demand is straining the resources within those states. Unseasonably high temperatures persist today in the Pacific Northwest while Arizona and Nevada continue to swelter in the heat as well.

The California ISO is calling on all customers to voluntarily reduce their use of electricity today, especially during the peak afternoon hours, to prevent more severe curtailment measures. The Stage One Emergency is in effect from 12:00-8:00 p.m. today. Peak demand on the transmission system is expected to reach 43,041 megawatts by late afternoon. **Continuously updated information about the California ISO control area's electricity supply and the current demand on the power grid is available on the web at www.caiso.com.**

Stage One of the state's Electrical Emergency Plan is initiated to advise the public of potential power shortages and to ask all customers to conserve electricity 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 California ISO will acquire by any means, including non-competitive bid, additional resources in an amount sufficient to maintain minimum operation reserves. The California ISO's Electrical Emergency Plan (EEP) is part of the state's enhanced reliability standards enacted by landmark legislation Assembly Bill 1890 that led to the restructuring of California's electricity industry.

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A Stage One Emergency takes effect when electricity operating reserves fall below seven percent. A Stage Two is declared when reserves drop below five percent. At this level, large commercial customers that have signed up to voluntarily curtail power during high demand days will be asked to do so. If an operating reserve shortfall of less than one-and-a-half percent is unavoidable, Stage Three is initiated. Involuntary curtailments of service to customers including “rolling blackouts” are probable during this emergency declaration.

The California ISO is chartered by the state to manage the flow of 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 the state’s investor-owned utilities turned their private transmission power lines over to the ISO to manage. The mission of the California ISO is to safeguard the reliable delivery of electricity, facilitate markets and ensure equal access to a vast 12,500 circuit miles of “electron highway”.

Other helpful contacts:

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| PG&E | 415 973-5930 |
| SCE | 626 302-2255 |
| SEMPRA ENERGY | 619 696-4292 |

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