



NEWS RELEASE

FOR IMMEDIATE RELEASE

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Contact: Patrick Dorinson
Director of Communications
1 (888) 516-NEWS

STAGE ONE OF ELECTRICAL EMERGENCY PLAN ACTIVATED **The Sudden Loss of a Major Transmission Line Limits Imports and Narrows Reserves**

(Folsom, CA) A Stage One Emergency was issued today by the California Independent System Operator (California ISO) urging consumers to conserve power. The loss of a major power line from the Pacific Northwest has limited California's ability to import power. The cause of the transmission loss is unknown but the problem is located south of Portland, Oregon. Electricity reserves were already in short supply today as a heat wave continues to permeate California state and the Southwestern region.

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 4-8 p.m. today. Peak demand on the transmission system is expected to exceed 42,000 megawatts this afternoon.

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.

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

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one-and-a-half percent is unavoidable, Stage Three is initiated. Involuntary curtailments of service to customers including “rotating blackouts” are probable during this emergency declaration. 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.

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”.

Continuously updated information about the electricity supply within the California ISO control area and the current demand on the power grid is available at www.caiso.com.

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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