

NEWS RELEASE

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

ELECTRICAL EMERGENCY STEPPED UP TO STAGE TWO AT 2:00 pm California ISO Activates Voluntary Power Curtailment Programs

(Folsom, CA) A pervasive heat wave covering much of the West is causing the demand for power to chase the mercury today, prompting the California Independent System Operator (California ISO) to raise the level of statewide electrical emergency to a Stage Two as of 2:00 p.m. The California ISO is asking utilities Pacific Gas and Electric, Southern California Edison and San Diego Gas and Electric to activate voluntary load management programs. However, the ISO urges interruptible customers to wait to shed their electrical load until specified to do so by their local utility. Interruptible customers, mainly commercial and industrial users, receive a reduced rate in exchange for a commitment to come off line when asked to do so for reliability purposes.

Operating reserves for much of the western United States are slim due to a widespread heat wave that is blanketing the Western states for the third day in a row. Electricity imports from neighboring states are scarce because the power is needed to serve customers within their own regions. The Stage Two Emergency will be in affect today from 2:00-8:00 p.m. California ISO anticipates reaching a peak load of more than 45,629 megawatts this afternoon – coming close to the previous record demand on the system of 45,884 set on July 12, 1999.

A Stage Two Emergency is declared when operating reserves dip below five percent or are expected to within the next two hours. If an operating reserve shortfall of less than one-and-a-half percent is unavoidable, Stage Three will be initiated. Involuntary curtailments of service to customers, including "rotating blackouts", are -MORE-

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probable during this emergency declaration. The California ISO's Electrical Emergency Plan (EEP) is part of the state's enhanced reliability standards created by landmark legislation Assembly Bill 1890, which restructured California's electricity industry.

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 California 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 12,500 circuit mile "electron highway."

Information about the California ISO control area's electricity supply and the current demand is available on the web at www.caiso.com.

Other helpful contacts:

Pacific Gas and Electric	415/973-5930
Southern California Edison	626/302-2255
San Diego Gas and Electric	877/866-2066

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