



NEWS RELEASE

FOR IMMEDIATE RELEASE
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Contact: Stephanie McCorkle
Director of Communications
1 (888) 516-NEWS

CONTINUED CONSERVATION URGED AS CALIFORNIA ISO DECLARES STAGE ONE AND TWO EMERGENCIES **Heat Drives Up Demand for Power**

(Folsom, CA) The California Independent System Operator (California ISO) issued a Stage One Emergency at 11:20 a.m. today, July 3, 2001, and a Stage Two emergency at 11:40 a.m. as operating reserves dipped below five percent. Northern California's appetite for power is 1,000 megawatts over forecast due to temperatures that are hotter and more humid than meteorologists predicted. Because the heat wave is regional in nature, levels of imported power have decreased as other states, especially those in the southwest, also cope with high demand for power. In addition, 1,500 megawatts of imported power was also reduced when a two-unit power plant that serves Southern California tripped offline over the weekend.

The expected peak demand on the transmission system is expected to reach about 41,300 megawatts around 4:00 p.m. today. Consumers have shown the ability and willingness to conserve at significant levels as June energy usage has proven. The California ISO asks consumers to continue their strong conservation efforts, which will help reduce the strain on the power grid today, especially during the peak afternoon hours.

Powerful Habits at Home:

- Set your thermostat at 78-80 degrees when home, 85 or off when away.
- Avoid using appliances during the peak usage period 8:00 am to 8:00 pm
- Turn off your pool pump and avoid outdoor watering during peak periods.

Powerful Habits at Work:

- Turn off computer monitor when you are away from your desk
- Turn off half the overhead lighting.
- Set the thermostat at 78-80

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STAGE ONE & TWO-2-2-2

Today's Stage One and Two declarations, expected to be in effect until 6:00 p.m., enables the California ISO to access emergency resources to help maintain operating reserves. 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 "rotating blackouts" are possible during this emergency declaration.

Conservation tips and continuous system condition updates are available on the web at www.caiso.com and the California Flex Your Power website at www.flexyourpower.ca.gov

Other helpful contacts:

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| 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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