



NEWS RELEASE

FOR IMMEDIATE RELEASE
July 19, 2000

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CALIFORNIA ISO CALLS STAGE TWO ELECTRICAL EMERGENCY Voluntary Power Curtailment Programs Activated

(Folsom, CA) Hot weather in Southern California coupled with a lack of available generation in the region and a short supply of imported power from the Southwest prompted the California Independent System Operator (California ISO) to issue a statewide Stage Two electrical emergency today, Wednesday, July 19, 2000. The California ISO asked two utilities, Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E) to activate voluntary load management programs, requesting a total of 920 megawatts be curtailed starting at 2:47 p.m. However, the ISO urges interruptible customers in SCE's and SDG&E's service territories 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 within the state fell below five percent after the maximum capacity was reached on Path 26, a major transmission artery through the central portion of California. The transmission constraints were caused when Northern California generation resources were sent south to meet the needs of customers in Southern California battling a three-day heat wave. Since capacity limits on the Path 26 power lines could not support adding any additional megawatts (as the demand on the system increased in the Southland), the California ISO initiated limited curtailments affecting only SCE and SDG&E customers until 6 p.m. California ISO anticipates reaching a peak load of more than 41,000 megawatts later today.

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A Stage Two Emergency is declared when operating reserves dip below five percent or are expected to within the next two hours. At this time, only the specific curtailment programs mentioned above have been implemented. Interruptible load management programs managed by the state’s utilities have not been activated. These programs rely on commercial and industrial customers who receive discounted electricity rates to voluntarily curtail their electricity use in order to lower the state’s demand for power.

While not anticipated today, 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’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:

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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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