



NEWS RELEASE

FOR IMMEDIATE RELEASE
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CONTINUING HIGH DEMAND AND LOSS OF GENERATION PROMPT STAGE ONE ELECTRICAL EMERGENCY

(Folsom, CA) The California Independent System Operator (California ISO) is issuing a Stage One Electrical Emergency between the hours of 2-8 p.m. today, August 4th, due to the mechanical failure of two Southern California generating units. Today is the seventh consecutive day of high temperatures in the state and the consumer demand for power remains high. Californians are asked to voluntarily reduce their use of electricity today especially during the peak afternoon hours to prevent more severe curtailment measures. Peak demand on the transmission system is expected to reach 42,600 megawatts by this late 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:

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

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