



NEWS RELEASE

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CALIFORNIA ISO ISSUES STAGE TWO ELECTRICAL EMERGENCY

Transmission Outage Limits Power to Northern California

(Folsom, CA) The California Independent System Operator (California ISO) declared a Stage Two Electrical Emergency today, Tuesday, December 19, 2000, after the loss of one of the state's major transmission lines. The Midway-Vincent line #3, a 500-kilowatt line had to be taken out of service due to arching at the Vincent Substation. This line is part of Path 15, a group of high-voltage power lines that feed electricity back and forth between Northern and Southern California. For more than a week now, ISO operators have been dealing with path congestion that occurs on Path 15 when demand in Northern California draws generation supply from the southern end of the state. Today's line outage limits the flow of electricity to only 650 MW from Southern to Northern California.

The Stage Two Electrical Emergency is in effect from 9:15 a.m. to 10:00 p.m. this evening. Demand across the California ISO Control Area is expected to peak at 33,307 megawatts around 6:00 p.m. tonight.

At this time, California ISO will attempt to maintain stability of transmission system without activating voluntary load management programs. However, the California ISO may implement interruptible programs if reserves dip to lower levels. **The ISO urges interruptible customers to wait to shed their contracted electrical load until specified to do so by their local utility.** Interruptible customers, mainly commercial and

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industrial users, receive a reduced rate in exchange for a commitment to come off line when asked to do so for reliability purposes.

The California ISO encourages state residents to continue their energy conservation efforts. Electricity in the state remains in short supply due to cold temperatures in the Northwest that have limited energy imports and approximately 7,500 megawatts worth of in-state power generation that continues to be off line due to planned and unplanned outages.

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 possible 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. A Stage One Emergency, urging Californians to conserve as much energy as possible, was called at 9:30 a.m., and is effective through 10:00 p.m. this evening.

The California ISO is charged with managing 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.

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