

OUTAGE UPDATE

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

Preliminary California ISO Internal Investigation Finds Operator-Error Contributed to 20-Minute Outage in Southern California Actions Taken to Prevent Reoccurrence

(Folsom, CA) After conducting a preliminary fact-finding investigation into the power outage that affected Southern California Monday evening, March 8, 2004, the California Independent System Operator (California ISO) found that operator-error contributed to the slow response to a late afternoon spike in electricity demand.

The California ISO issued a Transmission Emergency at 6:22 p.m. Monday night when power lines in the central portion of the state overloaded. ISO operators gave instructions to Southern California Edison (SCE) to "shed load" or interrupt electric service for 20 minutes between 6:30 and 6:50 p.m. The power outage affected about 70,000 SCE customers.

The emergency came after warmer than anticipated temperatures caused a jump in electricity demand in Southern California. The ISO had anticipated the higher demand for electricity and many power plants were put on standby to meet this first high electrical load of the year. After examining the course of events, the California ISO said it is clear that control room dispatchers did not call on the power plants fast enough to "ramp up" output. Demand for electricity continued to climb into the early evening, but the units could not increase their output in time to match the need for electricity. As a result, a set of lines known as Path 26 overloaded as electricity from Northern California tried to meet the demand in Southern California.

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Outage Findings

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Because electricity is consumed the instant it is produced and cannot be stored, dispatchers must balance supply and

demand around-the-clock, anticipating consumer usage and fine-tuning the flow of electricity in real time. As a

precautionary measure to avoid a larger-scale outage Monday night, the California ISO, through emergency orders,

asked SCE to reduce customer demand by shutting off power to a limited number of customers for a short period of

time.

The California ISO is taking the following actions to prevent a similar incident from happening in the future:

• Immediate implementation of specific performance improvements and training for control room personnel.

Disciplinary action against personnel who failed to follow operations procedures.

• Review of emergency procedures, in coordination with participating transmission owners.

"We thoroughly assessed what occurred Monday night and determined that it was an isolated incident," said ISO

Vice President of Operations Jim Detmers. "Because this was not a supply deficiency, it should not be seen as having

any bearing on grid conditions this summer. A full Summer Assessment report forecasting supply/demand for the

upcoming peak season will be released next month."

The California ISO is a not-for-profit public benefit corporation charged with managing the flow of electricity

along California's wholesale power grid. The mission of the California ISO is to safeguard the reliable delivery of

electricity, and ensure equal access to 25,000 circuit miles of "electron highway". As the impartial operator of the

wholesale power grid in the state, the California ISO conducts a small portion of the bulk power markets. These markets

are used to allocate space on the transmission lines, maintain operating reserves and match supply with demand in real

time.

Continuously updated information about the California ISO control area's electricity supply and the current

demand on the power grid is available on the web at www.caiso.com.

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