California ISO

California Independent System Operator

NEWS RELEASE

FOR IMMEDIATE RELEASE May 30, 2001 Contact: Stephanie McCorkle Director of Communications 1 (888) 516-NEWS

STAGE ONE EMERGENCY DECLARED

Electrical Usage Trending High; California ISO Urges Conservation

(Folsom, CA) The California Independent System Operator (California ISO) issued a Stage One at 11:30 a.m. today, May 30, 2001, as operating reserves dipped below seven percent. Consumers are asked to lessen the strain on the state's power grid by conserving electricity, especially during the afternoon hours. A number of factors are contributing to today's emergency condition:

- Power usage is trending approximately 1,200 megawatts over today's forecast.
- Net imports are running at 4,000 megawatts, which is 3,000 less than last week.
- A total of 9,800 megawatts worth of generation remains unavailable today with power plants off-line because of preventative repairs and plant malfunctions.

Peak demand on the transmission system is expected to reach 36,174 megawatts between 3-4 p.m. Today's Stage One declaration, which is in effect until midnight, 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.

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If an operating reserve shortfall of less than one-and-a-half percent is unavoidable, a Stage Three Emergency is 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 enacted by landmark legislation Assembly Bill 1890 that led to the restructuring of California's electricity industry.

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 investorowned 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 25,526 circuit mile "electron highway."

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.

Other helpful contacts:

| Pacific Gas and Electric | 415/973-5930 |
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| Southern California Edison | 626/302-2255 |
| San Diego Gas and Electric | 877/866-2066 |

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