



NEWS RELEASE

FOR IMMEDIATE RELEASE
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CAL-ISO CALLING FOR CONTINUED ENERGY CONSERVATION State Under Day Three of Stage One Electrical Emergency *Power Demand Remains High*

(Folsom, CA) The California Independent System Operator (Cal-ISO) is calling a third Stage One Emergency in as many days as the state continues to sizzle from a lengthy heat wave. The controller of the newly competitive power grid is asking investor-owned utilities today to, once again, urge their customers to conserve energy. The peak demand on the transmission system is expected to reach 45,000 megawatts late this afternoon. At its peak yesterday, Californians drew 44,707 megawatts from the power grid at 4:22 p.m., even though certain blocks of customers in Southern California, under voluntarily curtailment agreements, cut back on power use under a Stage Two Emergency declared briefly between 4 and 5:30 p.m. On Monday, August 3, 1998, Californians broke the all-time electricity consumption record in the state by using 44,927 megawatts of energy at 4:11 p.m.

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. The Cal-ISO will acquire by any means, including non-competitive bid, additional resources in an amount sufficient to maintain minimum operation reserves.

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DAY THREE STAGE ONE-2-2-2

A Stage One Emergency takes effect when electricity operating reserves fall to 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 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.

Cal-ISO is chartered by the state to manage the flow 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 mandated the investor-owned utilities turn their private transmission power lines over to the Cal-ISO's public power grid. The mission of the Cal-ISO is to safeguard the reliable delivery of electricity and ensure equal access to the state's "electron highway", which spans 124,000 miles or three-quarters of the state. The Cal-ISO is the second largest control area in the U.S. and the fifth largest in the world. Its computerized control center is located in Folsom, 22-miles from the capital city of Sacramento.

Other helpful contacts:

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