



NEWS RELEASE

FOR IMMEDIATE RELEASE
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ELECTRICAL EMERGENCY STEPPED UP TO STAGE TWO California ISO Activates Voluntary Power Curtailment Programs

(Folsom, CA) A pervasive heat wave covering much of the west is causing demand for power to chase the mercury today, prompting the California Independent System Operator (California ISO) to raise the level of statewide electrical emergency to a Stage Two at approximately 1:00 p.m. The California ISO is asking utilities Pacific Gas & Electric, Southern California Edison and San Diego Gas & Electric to activate voluntary load management programs in phases, requiring curtailment of enough megawatts to maintain a five percent operating reserve with minimal impact to customers. **The ISO urges interruptible customers to wait to shed their electrical load until specified to do so by their local utility.** Interruptible customers, mainly commercial users, receive a reduced rate in exchange for curtailing power when asked to do so for reliability purposes.

Operating reserves for much of the western United States are slim due to the widespread heat. Electricity imported by California from the northwest is particularly scarce because the power is needed within the region, due to lingering hot weather. Portland, Oregon is expected to break records with a high today that could top 100 degrees. Meanwhile, temperatures in Phoenix, Arizona are also hot, so power imported from the southwest is limited as well. The California ISO anticipates reaching a peak load of 44,205 megawatts later today. The Stage Two is in effect until 7 p.m. tonight. A Stage One Emergency, calling for general conservation practices, was issued at 10:00 a.m. and is in effect until 8:00 p.m.

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STAGE TWO-2-2-2

A Stage Two Emergency is declared when operating reserves dip below five percent or are expected to within the next two hours. While not anticipated today, 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. 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.

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 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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| Other helpful contacts (for media only): | |
| PG&E | 415 973-5930 |
| SCE | 626 302-2255 |
| SEMPRA ENERGY | 619 696-4292 |

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