



NEWS RELEASE

FOR IMMEDIATE RELEASE
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STATE-WIDE ELECTRICAL EMERGENCY STEPPED UP TO STAGE TWO FOR FOURTH CONSECUTIVE DAY *Voluntary Power Curtailment Programs Not Activated*

(Folsom, CA) A Stage Two Emergency was declared by the California Independent System Operator (California ISO) from 2:00-8:00 p.m. today, August 3, 2000, due to a loss of 400 megawatts caused by mechanical failure at a Northern California generator.

At this time, the California ISO will attempt to maintain stability of the 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 electrical load until specified to do so by their local utility.** Interruptible customers, mainly commercial and industrial users, receive a reduced rate in exchange for a commitment to come off line when asked to do so for reliability purposes.

A Stage One Emergency, urging Californians to conserve as much energy as possible, was called at 11 a.m., and is effective through 8 p.m. this evening.

Peak demand on the statewide electrical grid is expected to reach 43,605 megawatts by late afternoon today. Several areas of the West are still contending with a six-day-heatwave. This continuing hot and humid weather has air conditioning systems struggling to keep homes and businesses cool.

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

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