



NEWS RELEASE

FOR IMMEDIATE RELEASE
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CALIFORNIA ISO ELECTRICAL EMERGENCY STEPPED UP TO STAGE TWO **Voluntary Power Curtailment Programs Activated by State's Privately-Owned Utilities**

(Folsom, CA) A lengthy heat wave covering most of California is shrinking the state's electricity supply, prompting the California Independent System Operator (California ISO) to declare a Stage Two Electrical Emergency from 1-8 p.m. The supply of electricity in the state is limited with some 2,220 megawatts of generation, mostly in Southern California, unavailable due to power plant mechanical failures. The main transmission artery to the south, Path 26, is being utilized to maximum capacity today to deliver power to the region.

The California ISO is asking utilities Pacific Gas and Electric, Southern California Edison and San Diego Gas and Electric to activate voluntary load management programs as of 2 p.m. Approximately 1,200 megawatts of "voluntary load shedding" is expected to take place between two and three o'clock today—most of it occurring in Southern California. **The ISO urges interruptible customers to wait to shed their contracted 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.

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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 possible 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. 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.

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.

Other helpful contacts:

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| 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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