



NEWS RELEASE

FOR IMMEDIATE RELEASE
December 13, 2000

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CALIFORNIA ISO ISSUES STAGE ONE EMERGENCY

Media Tele-Briefings to Continue

(Folsom, CA) The California Independent System Operator (California ISO) declared a Stage One Emergency at 6:00 a.m. today, Wednesday, December 13, 2000. The forecasted consumption of electricity is expected to peak by 6:00 p.m. today and increase to an estimated 34,152. Operating reserves to maintain reliability of the Grid are projected to fall below seven percent. The California ISO is asking customers to voluntarily reduce their use of electricity through midnight to prevent more severe curtailment measures.

The Stage One is being issued on the tenth day of a severe shortage of electricity in the Western U.S. A cold snap has dramatically reduced the flow of imports from the Northwest causing California to rely heavily on in-state generation, 8,500 megawatts of which is off line due to planned or unplanned maintenance.

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.

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

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shortfall of less than one-and-a-half percent is unavoidable, Stage Three 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 investor-owned utilities turned their private transmission power lines over to the 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 vast 12,500 circuit miles of “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.

Media Teleconference Briefings will be held, once again, today:

1 800 374-1387

Pass code: 982640

Times: 11:00 a.m., 2:00 p.m., 6:16 p.m.

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