



NEWS RELEASE

FOR IMMEDIATE RELEASE
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CALIFORNIA ISO ISSUES STAGE ONE EMERGENCY

Limited to Northern California Only

(Folsom, CA) The California Independent System Operator (California ISO) declared a Stage One Emergency at 1:00 p.m. today, Monday, December 18, 2000. Consumers are asked to conserve electricity through 10:00 p.m. tonight. The forecasted consumption of electricity is expected to peak around 6:00 p.m. today and reach an estimated 33,644 megawatts. Operating reserves to maintain reliability of the Grid are projected to fall below seven percent only in Northern California due to transmission constraints at Path 15. Path 15 is a group of high-voltage power lines that feed electricity back and forth between Northern and Southern California. A bottle-neck occurs on the lines when demand for power draws generation supply from Southern California to the point the power lines approach and sometimes exceed transmission capacity.

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.

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