

NEWS RELEASE

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California ISO Board of Governors Approves Five-Year Strategic Plan *Charts Course for New Energy Paradigm*

(Folsom, CA) The California Independent System Operator Corporation (California ISO) studied current and future energy challenges and tapped the ideas and ingenuity of the industry before crafting a new Five-Year Strategic Plan that will determine its business direction through 2012. The California ISO Board of Governors, with a strong show of support today, approved a Five-Year Strategic Plan. The Plan charts a course for enhancing grid operations, strengthening transmission infrastructure, achieving new market efficiencies and deploying advanced technologies to benefit everyone who depends on the reliable flow of electricity and the responsible use of natural resources. The plan is available at www.caiso.com

The strategic planning process began with extensive consultation with policy makers, electricity industry leaders and consumer representatives in California and the West. The California ISO management team conducted candid conversations with more than fifty industry leaders representing a cross-section of the interests the California ISO serves. In addition, the process involved extensive internal deliberations and analyses to develop plans around key objectives. The Plan conveys the recent successes, lessons learned, future opportunities and strategic direction of the California ISO.

“Strategic plans are often referred to as roadmaps,” said President and CEO Yakout Mansour. “With the advanced technologies integrated into this strategic plan, I prefer to think of it as a GPS system using our goals as coordinates to provide the best route to our destination.”

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The California ISO's corporate transformation began in 2005 when the company performed a Capabilities Assessment that resulted in a major cost reduction, reducing the toll for users of the wholesale transmission grid. The next phase focused on Operational Excellence and focused on improved performance of core functions that resulted in exemplary grid and market operations during the past two years. The next phase is Organizational Effectiveness, which will develop new processes and create strong alliances with state and federal policy makers as the ISO works to help "green the grid" and find solutions to future energy challenges.

The plan was developed against a backdrop of technological advances, an increasing focus on renewable resources and other emerging environmental issues, new mandatory reliability standards and national/industry workforce trends. At the same time, it describes the ISO focus on organizational effectiveness to achieve key objectives. These include excellence in grid and market operations, transparent market prices to drive efficient utilization and development of grid resources (including demand, supply and transmission,) alignment with state and federal policies and priorities, open and non-discriminatory grid access and improved service to customers.

"This plan is more than just words on paper to gather dust on a shelf," said ISO Board Chair, Mason Willrich. "It identifies real issues that need to be resolved and sets specific goals for addressing them. It helps define the ISO role in the energy industry and it will help move the organization forward in a coordinated, efficient and effective manner."

The California ISO is a not-for-profit public benefit corporation charged with managing the flow of electricity along California's open-market wholesale power grid. The mission of the California ISO is to safeguard the reliable delivery of electricity, and ensure equal access to 25,000 circuit miles of "electron highway." As the impartial operator of the wholesale power grid in the state, the California ISO conducts a small portion of the bulk power markets. These markets are used to allocate space on the transmission lines, maintain operating reserves and match supply with demand in real time.

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