

NEWS RELEASE

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California ISO Board Approves Tehachapi Transmission Project

(Folsom, CA) The California Independent System Operator Corporation (California ISO) Board of Governors today gave a unanimous thumbs-up to a significant expansion of the transmission grid in the Tehachapi area of Southern California. Southern California Edison's (SCE) Tehachapi Transmission project is a major bulk transmission project that consists of a series of 17 new facilities or upgrades that will come on line over a period of five years, beginning in late 2008.

The total cost of the project will be approximately \$1.8 billion in nominal dollars. When completed in 2013 SCE's Tehachapi Project will provide several significant benefits:

- Provides the least-cost solution to connect 4,350 megawatts of generation in the Tehachapi area
- Serves new load growth and eases transmission constraints in Antelope Valley
- Lays the groundwork to integrate large amounts of planned geothermal, solar and wind generation
- Helps California utilities comply with Renewable Portfolio Standard, obtaining 20 percent of power from renewables by the year 2010
- Makes it possible to expand the transfer capability of Path 26, a major north-south transmission corridor, in the future

"There are many positive things about the Tehachapi Project," said California ISO Board Chair, Mason Willrich. "It will provide substantial benefits to Californians for many years to come through reduced crowding on area power lines, enhanced grid reliability in the region and enabling development of a new region with large wind and other renewable energy resources"

"The ISO decision is an important step in Edison's effort to make the abundant renewable energy of the Tehachapi area available to our customers" said Ron Litzinger, Edison's senior vice president of transmission and distribution.

The Tehachapi Project is part of a larger effort to study the Southern California portion of the transmission grid and identify projects that will deliver the most benefit for the least cost. The ISO has

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already approved two other significant transmission improvement projects in Southern California; the Sunrise Power Link Project will connect the San Diego area with new generation planned for the Imperial Valley and Salton Sea, and SCE's Palo Verde-Devers II power line addition will help bring electricity from a generation hub in Arizona into Southern California.

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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