

NEWS RELEASE

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Contact: Stephanie McCorkle
Director of Communications
1 (888) 516-NEWS

Conservation, Teamwork and Planning Helped California Grid Weather the Historic Heat Wave of July 2006

Heartfelt "Thank You" Extended

(Folsom, CA) The California high-voltage power grid is cooling off this week after handling record peak demand last week when the mercury climbed above 110 degrees for three days in a row throughout much of interior part of the state. The all time record peak demand on Monday, July 24 was 50,270 megawatts—an abnormally high demand at levels not expected until five years from now. The California Independent System Operator (California ISO) reports that electricity demand dropped this week to typical summer conditions, now that temperatures have moderated.

The California ISO extends a formal “thank you” to California for the impressive conservation levels that helped keep the lights on and wholesale prices low during the historic heat crisis of last week.

“We plan operations for extreme scenarios for a 1-in-10 year heat wave, but this was a 1-in-50 year heat storm,” said California ISO President and CEO Yakout Mansour. “The public, joining with business, was phenomenal in helping to reduce the strain on the power grid. Conservation played a critical role in maintaining stability of the grid and we want consumers, large and small, to understand the importance of their contributions.”

Mansour says the muscle that Governor Arnold Schwarzenegger put into championing conservation helped the state achieve a conservation rate of at least 1,500 megawatts, which included general conservation, state water pump load reduction as well as a 25 percent reduction in power usage at state buildings.

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HEAT STORM THANKS-2-2-2

The Flex Your Power organization was instrumental in moving the conservation message swiftly and effectively via television and radio airwaves. Commercial customers that voluntarily reduce demand on high demand days also did their part. Compensated for their curtailments, these customers shed an estimated 855 megawatts just as California was setting the new sky-high record demand for electricity on July 24. Additional business customers in the California ISO's *Save-A-Watt: Voluntary Load Reduction Program* also made a difference, producing about 50 megawatts in power savings without any form of compensation.

Despite the 100 degrees temperatures for more than 10 days in a row in the inland regions and records broken along the coast, the California ISO transmission system experienced not a single power outage or blackout during the extraordinary heat.

Mansour noted that cooperation, communication and coordination among all sectors of the energy industry helped the ISO handle demand. "We planned this year for the worst scenario by holding extensive summer training that brought the industry together to drill, drill and drill some more. Little did we know, the weather would be worse than the worst case scenario," said Mansour. "Fortunately, worst case weather did not translate into worst case results. Power plant owners responded to the challenge well ahead of the season and prepared their fleet to withstand difficult conditions. In fact, we saw the lowest summer outage rate ever last week. Utilities worked closely with us on load forecasting and resource adequacy requirements and every energy agency in the state stood ready to assist us. We want to thank them all for the team spirit that was shown."

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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