



NEWS RELEASE

FOR IMMEDIATE RELEASE
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CALIFORNIA ISO DECLARES FIRST STAGE ONE ELECTRICAL EMERGENCY FOR 2002

Conservation needed as demand increases with rising temperatures

(Folsom, CA) The California Independent System Operator (California ISO) issued a Stage One at 2:30 p.m. today, July 9, 2002, as operating reserves dipped below seven percent. Consumers are asked to lessen the strain on the state's power grid by conserving electricity, especially during the afternoon hours. **No blackouts are expected at this time.** A number of factors are contributing to today's emergency condition:

- The forecasted peak demand today is revised upward to 41,900 megawatts from 40,402 megawatts due to higher demand for electricity
- Loss of 2200 MW of generation overnight due to mechanical breakdowns
- Imported power from the Northwest and Southwest is minimal due to west-wide heat wave

Peak demand on the transmission system is expected at 4 p.m. Today's Stage One declaration, which is in effect until 7:00 p.m., enables the California ISO to access emergency resources to help maintain operating reserves. 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. A Stage Two has not been declared at this time.

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STAGE ONE
2-2-2

If an operating reserve shortfall of less than one-and-a-half percent is unavoidable, a Stage Three Emergency 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 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 a 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.

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.

Other helpful contacts:

Pacific Gas and Electric	415/973-5930
Southern California Edison	626/302-2255
San Diego Gas and Electric	877/866-2066

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