



NEWS RELEASE

FOR IMMEDIATE RELEASE
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STAGE TWO ELECTRICAL EMERGENCY DECLARED BY CALIFORNIA ISO

Voluntary Interruptible Customers Asked to Curtail Electricity Use

(Folsom, CA) The California Independent System Operator (California ISO) issued a Stage One at 2:30 p.m. today, July 10, 2002, followed by a Stage Two Electrical Emergency at 3:00 p.m. The ISO activated Voluntary Load Interruption programs administered by local utilities. Consumers are also 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.** While temperatures have dropped in Southern California, Northern California weather is sticking to predictions, with temperatures several degrees above yesterday and demand for power trending 1,000 megawatts over yesterday's loads.

"We appreciate consumers' efforts to conserve today," said California ISO Board of Governors Chair Michael Kahn. "The cheapest megawatt is the one you don't use. Conservation not only helps ISO control room operators maintain reliability, but also helps with your utility bill."

Peak demand on the transmission system is expected at 4 p.m. with a draw of about 42,659 megawatts off the Grid. Today's Stage Two declaration, which is in effect until 6:00 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. The ISO currently has access to approximately 1,400 megawatts of voluntary load curtailments.

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STAGE TWO
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 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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