



NEWS RELEASE

FOR IMMEDIATE RELEASE
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STAGE TWO ELECTRICAL EMERGENCY TRIGGERED BY REGIONAL SUPPLY SHORTAGE

California ISO Strongly Urges Conservation

(Folsom, CA) The California Independent System Operator (California ISO) issued a Stage Two Emergency at 3:18 p.m. today, April 25, 2001, as operating reserves dipped below five percent. A number of factors are contributing to the emergency conditions today:

- Consumption of electricity this afternoon trending 1,000 megawatts higher than forecast due to higher than predicted temperatures
- More than 10,000 megawatts worth of generation remains unavailable today with power plants off-line because of preventative repairs and plant malfunctions.
- A loss of 500 megawatts of imports total from both the Northwest and Southwest due to warm weather throughout the region.
- An additional 3,000 megawatts of generation from the state's qualifying facilities (QFs) unavailable due to continuing financial concerns.

With operating reserves hovering at critical levels, the California ISO requests that customers voluntarily reduce their use of electricity to prevent more severe curtailment measures. Peak demand on the transmission system is expected to reach 30,500 megawatts later today. Today's Stage Two declaration, expected to be in effect

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STAGE TWO-2-2-2

until 10:00 p.m., enables the California ISO to access emergency resources to help maintain operating reserves.

If an operating reserve shortfall of less than one-and-a-half percent is unavoidable, Stage Three 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 charged with managing the flow of electricity along the long-distance, high-voltage power lines that make up the bulk of California’s transmission system. The not-for-profit public-benefit corporation assumed the responsibility in March, 1998, when California opened its energy markets to competition and the state’s investor-owned utilities turned their private transmission power lines over to the California ISO to manage. The mission of the California ISO is to safeguard the reliable delivery of electricity, facilitate markets and ensure equal access to a 25,526 circuit mile “electron highway.”

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:

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| 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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