



NEWS RELEASE

FOR IMMEDIATE RELEASE
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STAGE TWO EMERGENCY CALLED BY CALIFORNIA ISO Giving Access to Resources Used to Maintain Operating Reserves

(Folsom, CA) The California Independent System Operator (California ISO) declared a Stage Two Electrical Emergency today, Monday, January 15, 2001 at 9:20 a.m., in effect until 10:00 p.m. Power reserves have been tight because of thin participation in the ISO's real-time market. Peak demand on the Grid is expected to reach 32,200 megawatts around 6:00 p.m.

With the Stage Two declaration, the California ISO was able to access emergency resources that will help maintain operating reserves today. The California ISO anticipates being able to manage reliability of the Grid without calling on the utility voluntary interruptible customers. **The ISO urges interruptible customers to wait to shed their contracted electrical load until specified to do so by their local utility.** Interruptible customers, mainly commercial and industrial users, receive a reduced rate in exchange for a commitment to come off line when asked to do so for reliability purposes.

A Stage Two Emergency is declared when operating reserves dip below five percent or are expected to within the next two hours. If an operating reserve shortfall of less than one-and-a-half percent is unavoidable, Stage Three will be 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

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State's enhanced reliability standards created by landmark legislation Assembly Bill 1890, which restructured 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 12,500 circuit mile "electron highway."

Information about the California ISO control area's electricity supply and the current demand 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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