



NEWS RELEASE

FOR IMMEDIATE RELEASE
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STAGE TWO EMERGENCY DECLARED BY CALIFORNIA ISO NEED FOR ENERGY CONSERVATION IS CRITICAL

(Folsom, CA) The California Independent System Operator (California ISO) declared a Stage Two Electrical Emergency today, Thursday, May 31, 2001, at 11:32 a.m. with operating reserves dipping below five percent. A number of factors are contributing to today's emergency condition:

- Warmer than normal temperatures cause increase in electrical demand.
- Import levels running lower than anticipated.
- More than 1200 megawatts of the total amount of generation is off-line in the Bay Area. The reduced amount of power available in the Bay Area is forcing the CAISO to import more power into the area to meet the demand, which is straining the local transmission transfer capability.
- A total of 10,000 megawatts worth of generation remains unavailable today with power plants off-line because of preventative repairs and plant malfunctions.

Consumers are asked to step up conservation efforts as the California ISO's job of balancing the supply and demand for power becomes more challenging this afternoon and into the evening peak hours. Demand across

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the California ISO Control Area is expected to peak at 37,882 megawatts around 4:00 p.m. this afternoon.

Today’s Stage Two Emergency is in effect until midnight. With the Stage Two declaration, the California ISO is able to access emergency resources that will help maintain operating reserves.

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 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.”

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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