

On Sunday, April 15 and Monday, April 16, 2007, there were two incidents at the CAISO's Folsom campus. First, late Sunday night, the internal power supply to several computer systems that handle CAISO market data were cut off. The incident impacted our business support and market systems but there was no impact to the grid. Contingency procedures and safeguards successfully maintained system operations. The CAISO markets were functioning by 3:00 a.m. with full restoration of the computer systems by 6:00 a.m.

Second, nearly twelve hours after the first incident, the CAISO received a credible threat of physical harm to the CAISO facility in Folsom. The threat was taken seriously, and a decision was made immediately to evacuate all three CAISO buildings of the Folsom campus. All operations were transferred to the CAISO's second Control Center. The CAISO Folsom campus was cleared for re-entry at approximately 5:00 p.m. Monday, and grid operations personnel returned to staff the Folsom Control Center by approximately 6:00 p.m.

On April 18, 2007, a suspect was arrested in connection with the two incidents.

Although, all systems appeared to respond the way they should and the incidents were handled reliably and safely with virtually no material impact, we will conduct a thorough investigation to identify any flaws in the corporate policies and emergency procedures.