

NEWS RELEASE

FOR IMMEDIATE RELEASE

January 12, 2001

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CALIFORNIA ISO DECLARED STAGE THREE EMERGENCY OVERNIGHT FOR NORTHERN CALIFORNIA ONLY

(Folsom, CA) The California Independent System Operator (California ISO) declared a Northern California-only Stage Three Electrical Emergency today, January 12, 2001, from 12:00 a.m. through 3:00 a.m. this morning. This occurred when operating reserves were forecasted to fall below one-and-a-half percent because of inadequate resources. Hydroelectricity resources normally used overnight had been depleted during the earlier emergencies yesterday and water levels in Northern California reservoirs are running very low. The California-ISO was able to secure emergency resources, once the Stage Three was declared.

California Department of Water Resources aqueduct pump load was shut down near Oroville to curtail power demand on the Grid. **No rotating blackouts were issued and customers were not affected.**

Yesterday's Stage One and StageTwo electrical emergencies were extended at midnight last night and they are in effect until 10:00 p.m. tonight.

The California ISO does not expect to call on voluntary interruptible customers to manage the morning spike in electricity use that occurs between 6 and 9 a.m., but may need to ask for the interruptible load if conditions change. 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.

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Media Hotline: 888 516-NEWS

Stage Three Emergency

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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.

MEDIA TELECONFERENCE CALLS WILL BE HELD TODAY AT 10:00 a.m., 2:00 p.m. and 6:15 p.m.

NUMBER: 1 800 374-1387

PASSCODE: ISO NEWS CONFERENCE

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