

NEWS RELEASE

FOR IMMEDIATE RELEASE May 9, 2001

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CONTINUING HIGH TEMPERATURES NECESSITATE STAGE ONE ELECTRICAL EMERGENCY

Conservation is Critical as State Faces Third Day of Possible Customer Outages

(Folsom, CA) The California Independent System Operator (California ISO) issued a Stage One at 10:15 a.m. today, May 9, 2001, as the state enters its third day consecutive day of record setting heat. Consumers are urged to lessen the strain on the power grid by conserving electricity, especially during the afternoon hours. This emergency situation can be attributed to record setting temperatures combined with limited supply, including:

- More than 12,000 megawatts worth of generation that remain unavailable with power plants off-line because of preventative repairs and plant malfunctions.
- Four nuclear units that are still offline in the western U.S. for refueling or repairs.
- And an additional 1,400 megawatts of generation from the state's qualifying facilities (QFs) which remain unavailable.

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 35,367 megawatts between 3-4 p.m. today.

Today's Stage One declaration, in effect until midnight, enables the California ISO to access emergency resources to help maintain operating reserves. A Stage Two is declared when reserves drop below five percent. At this

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STAGE TWO-2-2-2

level, large commercial customers that have signed up to voluntarily curtail power during high demand days will be asked to do so. 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:

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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