



California Public Utilities Commission

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News Release

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PUC ACCELERATES IMPLEMENTATION OF PLANNING RESERVE MARGIN FOR UTILITIES TO ENSURE ADEQUATE ELECTRICITY RESOURCES

SAN FRANCISCO, Oct. 28, 2004 – The California Public Utilities Commission (PUC) today provided definition and clarification to its resource adequacy program, taking another step toward ensuring that electricity consumers of California's three largest investor-owned utilities receive service that is reliable and reasonably priced.

"To maintain and enhance near-term reliability of the state's electricity grid, the Commission called for full implementation by the state's investor-owned utilities of a 15-17 percent planning reserve margin by June 1, 2006, instead of the Jan. 1, 2008 deadline that was outlined in the Commission's initial decision on this matter," said PUC President Michael R. Peevey.

Recognizing that additional work on resource adequacy requirements is still needed, the Commission set the next steps that are required to ensure that a functioning regulatory program for resource adequacy requirements can be implemented during 2005.

Beginning Nov. 16, the Commission will hold a series of workshops that will constitute the centerpiece of Phase 2 of ensuring resource adequacy. The primary objectives for Phase 2 will be establishing for various Phase 1 policies adopted today the implementation details that each investor-owned utility needs in order to acquire resources; and establishing the reporting requirements, review processes, and compliance tools that will shape how the investor-owned utilities satisfy the Commission that they have acquired these resources.

In addition, there are other topics that need to be revisited or added to the initial resource adequacy requirements. These include local resource adequacy requirements, including identification of load pockets, generator performance in load pockets, and transmission import capabilities.

For more information on the PUC, please visit www.cpuc.ca.gov.

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