



## *News Release*

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### **Southern California Edison Plan Attracts More than 2,500 Megawatts of New, Cleaner Power Projects to California**

ROSEMEAD, Calif., March 6, 2008—Southern California Edison (SCE) has signed four long-term power purchase contracts with winning bidders in a competitive solicitation program designed to attract new power generation facilities to help serve the region's growing power needs.

The contracts represent a potential generating capacity of 1,351 megawatts (MW) and bring the results of SCE's new generation initiative to a total of 2,556 MW, enough power to serve 1.7 million average Southern California households at a point in time. Contracts executed this week are subject to California Public Utilities Commission (CPUC) approval.

"We thank all who participated in this important process that will significantly increase the reliability of our region's electricity system in coming years," said Alan Fohrer, SCE chairman and chief executive officer.

The new contracts are the outcome of a plan recommended by SCE in response to state forecasts of inadequate new power plant construction. The utility proposed offering 10-year power purchase contracts to new generation developers with the benefits and costs of the new resources allocated to all customers within SCE's service territory who would benefit from the enhanced reliability. The plan was approved by the CPUC on July 20, 2006.

SCE subsequently launched an open, competitive solicitation that has produced a total of seven agreements with five different project developers who have agreed to construct new, state-of-the-art Southern California generating resources. Many of the projects will produce electricity more efficiently and with far fewer pollutants than older power plants. In addition, several of the projects will use new turbine technologies capable of adjusting more rapidly to changes in power supplies and demand.

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**Power Purchase Agreements Signed This Week**

Project Name	Company	Calif. Location	Type of Generation Technology	Online Date	MW
Sentinel	Competitive Power Ventures	Riverside County	3 General Electric LMS 100 gas turbines*	May 1, 2012	273
Walnut Creek	Edison Mission Group	City of Industry	5 General Electric LMS 100 gas turbines	June 1, 2013	479
El Segundo Energy Center	NRG Energy	El Segundo	2 One on One Siemens SGT6-5000F combined-cycle gas turbines featuring dry cooling technology	June 1, 2011	550
Wellhead Power Delano	Wellhead	Delano	1 General Electric LM6000 gas turbine	June 1, 2012	49
<b>Total</b>					<b>1,351</b>

**Power Purchase Agreements Signed Previously**

Project Name	Company	Calif. Location	Type of Generation Technology	Online Date	MW
Long Beach Generation, track 1 winner, approved by the CPUC	NRG Energy	Long Beach	A "repowered" gas-fired plant retired in January 2005 that was refitted with the latest emissions-control technology	August 1, 2007, in operation	260
Blythe Energy, track 2 winner, awaiting CPUC approval	FPL Energy	Blythe	New transmission link connecting combined-cycle natural gas facility to Cal-ISO grid**	August 1, 2010	490
Competitive Power Ventures, track 2 winner, awaiting CPUC approval	Competitive Power Ventures	Riverside County	5 General Electric LMS 100 gas turbines	August 1, 2010	455
<b>Total</b>					<b>1,205</b>

\*Peakers using new, lower-emission technology.

\*\*SCE's request for offers included the option of bidding a transmission project that would connect an existing generation resource with a remaining design life of at least 30 years to the California Independent System Operator grid serving SCE's service territory.

"This special procurement process provides a transitional means to attract much-needed new generation while a market framework is put in place that will provide new resources when needed," said Pedro Pizarro, SCE senior vice president of power procurement.

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#### **Background Facts**

- Initially, SCE was authorized to issue a request for up to 1,500 MW of new or repowered generating capacity. Subsequently, regulators expanded the authorization to up to a total of 3,200 MW and SCE included the option of bidding into one or more of three different “tracks,” depending on when the bidder’s project would be online. Contracts signed this week were bid into the third phase of the program.
- Aug. 1, 2007 was the online deadline for Track 1 projects. Track 2 projects are expected online by Aug. 1, 2010. Contracts signed this week are for facilities that will be operational by Aug. 1, 2013.

#### **Explanation of SCE’s Competitive Solicitation Process**

- SCE power contract solicitations adhere to specific rules established by the CPUC to ensure the utility’s power procurement process is open, fair, and transparent and delivers the greatest value possible to customers.
- As the process begins, a public request for offers is widely distributed and solicitation information is posted on SCE’s public access Web site. Independent power producers are encouraged to propose projects that will meet the future needs of SCE’s customers outlined in the solicitation.
- Bidder briefings are held to answer questions and provide information power producers need as they consider preparing contract proposals.
- Contract bids are received and evaluated by SCE. A short list of the most attractive offers is selected and final negotiations occur. At the same time, a detailed analysis is done of transmission resources available or needed to deliver the new generation to market.
- Winning bidders are chosen and contracts signed and submitted to the CPUC for review and approval.
- During the course of the solicitation, an independent evaluator (IE) oversees the process, verifying that no preferential treatment is provided to any bidder. Additionally, SCE consults frequently with an independent procurement review group comprised of CPUC staff members and representatives of consumer, environmental, and labor groups that are not market participants.

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*An Edison International (NYSE:EIX) company, Southern California Edison is California’s largest electric utility, serving a population of more than 13 million via 4.8 million customer accounts in a 50,000-square-mile service area within central, coastal, and Southern California.*