



August 8, 2003

Mr. Tom Carter
Power Operations Manager
Western Area Power Administration
Sierra Nevada Customer Service Region
114 Parkshore Drive
Folsom, CA 95630

RE: COMMENTS ON WAPA's JUNE 24, 2003 FRN (FR. Doc. 03-15885)

Dear Mr. Carter;

The California Manufacturers & Technology Association (CMTA) has concerns with the Western Area Power Administration's (WAPA) Federal Control Area (FCA) proposal and hereby submits the following comments in response to WAPA's Federal Register Notice (FRN) dated June 24, 2003 regarding WAPA's Post-2004 Operation Alternatives.

CMTA's members have manufacturing facilities throughout California. The viability of those facilities has a significant impact on the availability of well paying jobs for Californians and California's economy. The cost of power and the reliable delivery of power are both critical to manufacturers. CMTA is concerned that WAPA's FCA proposal has the potential to increase costs for California business, in and outside of the FCA, and could degrade reliability.

Although WAPA doesn't have a direct obligation to the people of California, in the past WAPA has operated its facilities to the benefit of those within member service territories and to California consumers in general. We request that prior to making a decision about this proposal, WAPA thoroughly analyze and review all assumptions and alternatives, and assess the economic and reliability impacts on all Californians – including the possibility that changes will increase the opportunities for gaming the California transmission system, the potential for pancaked rates, and the constraints on the use of WAPA's valuable hydroelectric resources.

Thank you for the opportunity to share our concerns.

Respectfully submitted,

Joseph Lyons
Policy Director, Energy

cc: Senator Debra Bowen
Assembly Member Sarah Reyes
Assembly Member Keith Richman
Michael Peevey, President, California Public Utilities Commission
Spencer Abraham, Secretary of Energy, US Department of Energy
Terry Winter, President, CEO, California Independent System Operators