

July 16, 2010

Via Electronic Mail and Overnight Mail

Ms. Luly Massaro
Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

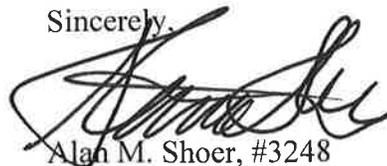
Re: Docket No. 4185

Dear Luly:

On behalf of the Rhode Island Economic Development Corporation (RIEDC) and in response to R.I. Gen. Laws Section 39-26.1-7 (Senate Bill 2819 Sub A as amended and House Bill 8083 Sub A as amended) and the procedural schedule of July 9, 2010, the RIEDC will be presenting the expert testimony of Seth Parker. Mr. Parker is Vice President and Principal of the Boston based market design, economics and power systems consulting firm Levitan and Associates.

Mr. Parker's CV with relevant background experiences in power markets, renewable energy project financing and power contracts is attached with this letter. In accordance with the provisions of this new statute, Mr. Parker will "provide testimony regarding the terms and conditions of the power purchase agreement to assist the commission in its review" of the amended power purchase agreement between National Grid and Deepwater Wind, LLC.

Sincerely,



Alan M. Shoer, #3248

Enclosures

cc: Service List

SETH G. PARKER

SUMMARY

An economic and financial manager with an international background in competitive markets and power project development, evaluation, financing, and divestiture/privatization/acquisition. Principal experience includes modeling and analyses of conventional and renewable power projects, inter-market transactions, contracts, market design, risk management, and valuation.

PROFESSIONAL EXPERIENCE

- | | |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1998 - | Levitan & Associates, Inc.
Principal & Vice President
Managing Consultant |
| 1988-1998 | Stone & Webster Management Consultants (US and UK)
Vice President
Assistant Vice President
Executive Consultant
Senior Consultant |
| 1984-1988 | J. Makowski Associates, Inc.
Financial Manager - Ocean State Power |
| 1981-1983 | ThermoElectron Energy Systems
Senior Financial Analyst |
| 1978-1981 | Pacific Gas and Electric Co.
Project Financing Analyst |

CONSULTING ASSIGNMENTS

Project Development

Assisted NRG with economic analysis, financing structure, debt and equity sources, finance rates, PPA terms, and credit issues for large proposed offshore wind project.

Advised Maine Department of Transportation on proposed LNG terminal project, including project feasibility, site, safety, comparative economics, and pipeline routing.

Provided commercial advice on 15 MW cogeneration upgrade for New York University, including economic feasibility, contract structure, and utility backup arrangements; advised on renewable wind project development / contractual support.

Advised The Stanley Works on business strategy / financing of 8MW hydroelectric plant.

Completed pre-financing development work (permits, construction, and financing) for Ocean State Power Phase I, a 225 MW combined cycle plant in Rhode Island.

Market / Policy Analysis

Advising three NYC generators on the NYISO installed capacity demand curve reset process for 2011/12 – 2013/14 focusing on peaker proxy technology / cost / performance, transmission deliverability, site requirements / availability, and net energy revenues.

Provided written testimony on resource options and economics on behalf of Shell Energy North America regarding Dominion Virginia Power's (DVP's) 2009 Integrated Resource Plan; testified before the Virginia State Corporation Commission.

Prepared expert report and testimony on the DVP 2007 Solicitation for 2011 Unit Capacity for Shell Energy North America that addressed capacity needs, bidder qualifications, best competitive procurement practices, and bid evaluation methodology.

Provided advice on financial, operational, decommissioning funding, and ratepayer risk issues to the Vermont Department of Public Service regarding Entergy's application to restructure the ownership of its merchant nuclear plants, including Vermont Yankee.

Prepared major deregulation study for the Maryland Public Service Commission that evaluated new generation, transmission, and demand-side options; evaluated divestiture impact on profitability of generation fleet and financial contribution to parent company; updated study for rate-base utility or power authority generation ownership.

Advised New York Power Authority (NYPA) on inter-market transactions, including power economics, interconnection requirements grid upgrades, reliability impacts, permit issues, and regulatory considerations; represented NYPA at PJM committee meetings.

Advised generator group on PJM proposed Reliability Pricing Model (RPM) capacity valuation mechanism, including gas turbine capital & operating costs, expected net revenues, financing charges, etc.; represented group before FERC.

Assessed market prices and congestion costs relative to competing generation and transmission project bids for Long Island Power Authority (LIPA); responsible for ICAP forecasts across northeast markets and commercial analysis of hvdc cable proposals.

Evaluated market potential of PJM cable exports into NYC for potential purchaser of Linden simple / combined cycle project, including cable expansion issues.

Revised 2005/06 - 2007/08 capacity market demand curve parameters for NYISO based on levelized costs of gas turbine peaker capacity, including net energy revenues from multi-regional simulation model with stochastic treatment of hourly loads; evaluated demand curve slope and zero-crossing point; achieved consensus with stakeholder group.

Advised counsel for Mirant Equity Committee regarding NYISO, ISO-NE, and PJM capacity markets and the use of demand curve mechanisms to forecast ICAP prices.

Established feasibility of inter-pool wheeling into load pocket to reduce congestion costs; quantified maximum benefit and related reliability and portfolio effects for LIPA.

Evaluated alternatives to the Indian Point Nuclear Power Station for Westchester County and its Public Utility Service Agency, including power and local economic implications of shut-down, repowering, replacement with transmission / conventional / renewable resources, continued operation, and license extension.

Estimated market value of incremental energy and capacity from the Bonanza coal plant owned by the Deseret Generation and Transmission Cooperative in Utah.

Prepared analysis of US power markets and merchant plant business structures for overseas investor; recommended target areas and distressed asset screening model.

Advised stakeholder group on technical, environmental, operational, and regulatory issues of energy infrastructure projects across LI Sound and in southwest Connecticut for the Institute for Sustainable Energy; prepared guidelines for Connecticut Siting Council.

Prepared long-term market price forecasts by sub-regions in New England, New York, and PJM to capture congestion effects for PECO Energy's acquisition of Sithe assets.

Market analysis of conversion of Salem Harbor to gas for ISO-NE White Paper.

Assessed the market potential for independent power producers throughout the US; identified competitive capability of utility / non-utility developers and engineering firms.

New England cogeneration marketing and permitting assistance for Unitil gas utility.

Assessed state-by-state future demands for cogeneration systems based upon industrial activities, fuel costs, utility purchase and sales rates, and regulatory climates.

Project and Due Diligence Evaluations

Conducted economic evaluation of the Deepwater Wind project for the RI Economic Development Corporation, including PPA pricing, bonus / penalty provisions, and risk allocation, price suppression benefits, economic development impacts, and other issues.

Forecasted expected operating regime and changes in market power prices and regional air emissions for proposed Bayonne 512 MW GT peaker plant with HVAC w/w cable lead into NYC; report was part of Bayonne's petition for an Art. VII Certificate.

Prepared revenue and operating expense projections of PJM coal and combined cycle plants being sold by AES, including capacity revenues under alternative scenarios.

Conducted financial analysis of rival cogeneration projects at New York University, including operating cost savings, tax-exempt debt terms, and credit rating impacts; prepared project valuation and recommendation for Financial Committee.

Advised the New York State Housing Finance Agency as lender to a New York cogeneration project, including project review, contract negotiation, and financing terms.

Managed due diligence review, construction monitoring, and acceptance testing of the following cogeneration, combined cycle, fluidized bed, and industrial projects for commercial lenders, investment banks, and government, bilateral & multilateral agencies:

Brooklyn Navy Yard, a 220 MW cogeneration plant, New York
Derwent Cogeneration Project, a 210 MW cogeneration plant, England
East Java Power, a 500 MW combined cycle plant, Indonesia
EES Coke Battery, a 900,000 ton per year coke facility, Michigan
Guna Power Project, a 347 MW naphtha / gas combined cycle plant, India
Hadley Falls, a 43 MW hydroelectric plant, Massachusetts
Hub Power, a 1200 MW, \$1.8 billion, World Bank-supported plant, Pakistan
Indiana Harbor Coke Battery, a 1.3 million ton per year facility, Indiana
Kot Addu, a 1600 MW oil / gas combined cycle plant, Pakistan
Midland Cogen Venture, a 1,370 MW \$2.3 billion cogeneration plant, Michigan
Niagara Falls Resource Recovery, an 800,000 ton per year plant, New York
Panther Creek, an 80 MW fluidized bed power plant, Pennsylvania
Warrior Run, a 180 MW fluidized bed power plant, Maryland
York Research, financing of four plants, Texas, New York, and Trinidad

Established the economic value and financing plan for existing 43 MW hydroelectric power plant in support of acquisition and financing by a Massachusetts municipal utility.

Evaluated operating characteristics and economics of cogeneration expansion plans for the Massachusetts Institute of Technology, and recommended phased-in scheduling.

Managed due diligence reviews of US coal and gas-fired power plants in support of Manweb (UK) equity investments; helped negotiate transaction modifications as required.

Recommended cogeneration plant design and financing plan for Turkish Industrial Zone.

Evaluated the feasibility of converting the Bataan nuclear power station in The Philippines to a gas-fired combined cycle plant for Shell Oil Company.

Auctions & Procurement

Retained by the Illinois Power Authority as Procurement Administrator for the 2008, 2009, and 2010 competitive procurements of energy (financial swaps), capacity, and RECs (both physical delivery) for the Ameren Illinois Utilities; responsible for benchmark pricing, finance, credit, security, performance, and related contract issues.

Advised the Connecticut Department of Public Utility Control (DPUC) on economic costs / benefits and credit / collateral terms and conditions for long-term PPAs.

Conducted power and fuel price forecasts and financial analysis for a confidential equity investor in the auction of the 2,480 MW Ravenswood Facility in NYC.

Assisted Allegheny Electric Cooperative to identify power purchase and equity investment opportunities in PJM; evaluated economics and risk parameters of PPA, tolling, market purchases, and ownership options; reviewed ISDA and EEI agreements.

Part of Procurement Monitor team on behalf of DPUC to oversee United Illuminating and Connecticut Light & Power 2006-2008 supply procurements; responsible for credit issues and evaluating financial barrier options to protect against unanticipated price movements.

Advised LIPA on commercial and financial issues associated with multiple solicitations for on-island and off-island capacity and energy; refined contract terms on risk and credit.

Evaluated third party contracts and on-site generation alternatives for Visy Paper in NYC.

Evaluated design-build proposals for a CHP plant at Rochester Institute of Technology, including engineering / construction qualifications, O&M strategy, financial structure, utility interconnection issues, and lifecycle cost / ROI results.

Evaluated strategic electric and gas procurement strategy options for the Buffalo Fiscal Stability Authority; made implementation recommendations to BFSA and City officials.

Project Financing

Advised multiple clients on off-balance sheet financing structures, including tax-exempt operating leases and third-party ownership of CHP and cogeneration facilities.

Structured non-recourse construction and permanent debt financing for Ocean State Power, the first IPP in the US; provided liaison between investors and financial advisor.

Developed off-balance sheet financing plans for ThermoElectron cogeneration projects.

Applied to the US Synthetic Fuels Corporation for price supports and loan guarantees.

Managed PG&E's \$60 million pollution control Industrial Development Bond financing.

Recommended financing structures for PG&E subsidiaries & joint venture projects - coal mine, generating plants, gas exploration / production, and residential conservation.

Privatization / Divestiture

Prepared comprehensive descriptions of Southern California Edison thermal generation (12 plants, 10,000 MW) and Commonwealth Edison coal stations (6 plants, 6,000 MW).

Technical and economic advisor to Maine Public Service, Fitchburg Gas and Electric, and Unitol Corp for hydro, thermal, and power purchase agreement divestiture.

Contractual advice to Empresa Electrica de Guatemala, S.A. for power plant divestiture.

Technical and commercial advice (including forward pricing) to a confidential bidder for the New England Electric System divestiture (2800 MW thermal & 1200 MW hydro).

Provided technical / environmental advice to the Government of Pakistan for the 1600 MW Kot Addu plant privatization; developed capacity / energy contract pricing structure.

Gas and Fuel Projects

Developed integrated gas supply, storage, and forward haul transportation project for utilities in the metropolitan NY / NJ area to expand wintertime deliveries.

Evaluated equity return / risk profiles and prepared cash flow forecasts of interstate gas pipelines and storage projects for independent power plants throughout the Northeast.

Prepared testimony on risk, financing, and capital cost for the Endicott Pipeline Co.

Evaluated throughput and rate impacts on financial returns of competing gas pipeline proposals to support the development of Iroquois Gas Pipeline.

Technical Advisor to the Government of Pakistan for the privatization of the Sui Northern Gas Pipeline Company (approx. 200 bcf annual sales with 24,000 km of pipe).

Determined the distribution links between major domestic gas production basins and demand markets to help allocate exploration and development funds of Sohio Petroleum.

World Bank commercial advisor on the Asia Pacific Ltd. oil storage & pipeline, Pakistan.

Energy / Power Plant Optimization

Evaluated contract terms and conditions governing energy options for Nassau County Hub commercial district including cogeneration, spot market purchases, etc.

Assisted NYC industrial firm with cogeneration development; drafting steam purchase, power purchase option, site lease, and development contracts.

Developed cost-effective energy strategy, including asset reconfiguration, permit modification, and contract restructuring, for Massachusetts Water Resources Authority.

Implemented direct gas service via Algonquin Gas Transmission and evaluated cogeneration options for Phelps Dodge copper plant in Connecticut.

Developed inside-the-fence cogeneration and fuel strategy for Arizona paper mill.

Identified optimal cogeneration plant configuration and fuel supply for City of Holyoke.

Financial Analysis

Evaluated the intended financing plan and resulting credit strength of the proposed owner of Entergy's merchant nuclear plants, including Vermont Yankee, for the Vermont Department of Public Service; prepared information requests and rebuttal testimony.

Prepared investment analysis for Massachusetts Institute of Technology cogen project.

Advised lessor on utility buyout offer of wood-fired plant including future residual value.

Evaluated pro forma assumptions and risk / return analysis of Malaysian power projects.

Reviewed financial feasibility of proposed clean coal demonstration projects for DOE.

Managed steam purchase contract evaluation and internal cogeneration feasibility study for petrochemical producer in The Netherlands.

Proposed project financing options for Elektrenai plant modernization in Lithuania.

Power and fuel negotiation support for Cumbria Power, Ltd., the first IPP in England.

Determined economic assumptions, prepared financial pro formas, and analyzed equity return / risk for numerous proposed power projects for ThermoElectron and other clients.

Prepared long-term financial and rate forecasts of PG&E for state commission filing.

Generation Planning / Resource Economics

Evaluated bidders for Indianapolis Power & Light's 1992 competitive power solicitation.

Audited Florida Power & Light's resource plan, including fuel, load, and generation.

Techno-economic cogeneration feasibility study for Algonquin Gas Transmission.

Valued existing plant based on alternative peaking capacity for Delmarva Power & Light.

Forecasted avoided energy / capacity costs for third-party generators throughout the US.

Supervised life cycle power plant economic analysis for a Fuel Use Act application.

Compared historic and projected electric use by major manufacturing industry for EPRI.

Litigation Support and Expert Testimony

Testified before the Virginia State Corporation Commission on behalf of Shell Energy NA regarding DVP's 2009 Integrated Resource Plan (Case No. PUE-2009-00096).

Submitted expert report and testified before the Virginia State Corporation Commission on behalf of Shell Energy NA regarding Dominion Virginia Power's 2007 Solicitation for 2011 Unit Capacity on RFP structure and bid evaluation issues (Case PUE-2008-00014).

Prepared information requests, submitted expert testimony, and testified before the VT Public Service Board on behalf of the VT Department of Public Service regarding the proposed restructuring of Entergy's merchant nuclear generation assets (Docket No. 7404).

Submitted expert report on behalf of generator group and participated in Technical Conference before FERC regarding proposed Reliability Pricing Model mechanism that sets market capacity prices in PJM (FERC Dockets Nos. EL05-148 and ER05-1410).

Prepared expert report on New York and New England capacity market mechanisms and plant valuation impacts for the Mirant Corp. equity committee in US Bankruptcy Court (Case No. 03-46590).

Submitted FERC affidavit regarding gas turbine engineering and economic parameters to reset locational ICAP demand curve; represented NYISO at FERC Technical Conference (FERC Docket No. ER05-428).

Expert witness regarding geothermal EPC contract performance and consequential damages based on market power rates before the American Arbitration Association.

Expert witness testimony for the Bridgeport RESCO waste-to-energy facility at the Connecticut DPUC re avoided cost pricing in the deregulated energy market (Docket 99-03-35REO3).

Provided tax valuation support for gas and electric assets for Yankee Gas Company and The Connecticut Light and Power Company in Connecticut Superior Court (Docket No. CV 95-0072561S).

Expert witness report supporting PECO Energy (Exelon) decision to cancel purchase of equity interest in the River Bend nuclear plant in US District Court for the Middle District of Louisiana (Adversary Proceeding No. 98-477-B-M3).

Expert witness report and testified regarding contractual benefits of major coal plant turbine upgrade based on future market power values in US District Court for the Middle District of Florida, Orlando Division, (Case No. 6:99-CV-76-ORL-22A); accepted as an expert in power project cost analysis and power price forecasting.

Expert witness regarding economic feasibility, financing, and profitability of Mid-Atlantic Energy's proposed cogeneration plant in West Virginia Circuit Court (Civil Action No. 95-C-214M).

Presented testimony on relationship of independent power development fees to project capital costs before the American Arbitration Association.

PRESENTATIONS & PUBLICATIONS

Presentation to the NYISO Installed Capacity Working Group on peaker proxy technology / cost / performance, deliverability, site requirements, availability, etc.

Moderated panel on ISO-NE's Forward Capacity Market mechanism at the Northeast Energy & Commerce Association's 2009 Power Markets Conference.

Gas and electric market interdependency panel moderator at Platt's 4th Annual Northeast Power Forum, 2009.

Sponsor for the Northeast Energy and Commerce and Association conference "Northeast Capacity Markets"; moderator for panel on generation entry / attrition outlook, 2007.

Conference organizer and moderator for "Capacity Markets – Impacts on Assets and Power Pricing" regarding G&T investment decisions in ISO-NE, NYISO, and PJM, 2007.

Conducted half-day workshop, "Forecasting Capacity Prices in the Northeast" and panel moderator on generation financing at Infocast Northeast Power Supply Forum, 2006.

"Financing Projects with ICAP Revenues", Infocast Power Financing conference, 2004.

Panel moderator on New England and Canadian LNG Projects, Infocast Atlantic Coast LNG Conference, 2004.

Speaker, "Power Sales Contract Restructuring Issues", at Infocast Asset Optimization and Portfolio Management Conference, 2003.

Panelist on “Southwest Connecticut Congestion”, 10th Annual New England Energy Conference, 2003.

“Fuel and Power Contracting”, Int’l District Energy Association Conference, 2002.

“Contract Restructuring”, Infocast QF & IPP conference, 2001.

“Successful Valuation and Value-Creation of Transmission Assets”, Infocast Electric Asset & Portfolio Valuation conferences, 2001.

“Evaluation of Repowering the Cabot Street Steam Station” using gas turbine technology, International District Energy Association conference, 2001.

“Plant Repowering” at the Infocast Plant Acquisition conference, 2000.

“Equipment Performance Impacts”, Infocast Merchant Peaking Plant conference, 2000.

“The Pros and Cons of Repowering” in Competitive Utility, 2000.

“The First Wave” (initial divestiture results) 1998 and “Gas versus Coal” (techno-economic study) 1995, Independent Energy magazine.

“Evaluating Technical and Construction Risk” and “The Due Diligence Process”, classes and case studies on for the Infocast Project Finance Institute, 1996-1998.

Non-utility generation and project financing classes at Stone & Webster Utility Management Development Program, 1989-96; General Electric, 1991-94; IBM 1994.

"Self Generation under Competitive Bidding", 1989 Cogen & IPP Congress.

EDUCATION

Wharton Graduate School (Univ. of Penn.), MBA in Finance / Operation Research, 1978.

Brown University, Sc.B. in Applied Mathematics / Economics, 1976.

International Gas Turbine Institute course: Basic Gas Turbine Technology, 1996.

Kennedy School (Harvard University) courses: International Geopolitics of Oil, 1982, and International Political Economy, 1993.

MISCELLANEOUS

Board of Directors, Northeast Energy and Commerce Association, 2007-.

Adjunct faculty lecturer in finance, Golden Gate University, 1979-1980.

Optimum yield resource management, National Oceanic and Atmospheric Admin, 1977.

Mayor's Waterfront Development Committee and Interface: Providence, 1974-1976.