

Memorandum

April 17, 2002

TO: Business Issues Committee
FROM: Nominating Committee
RE: Election of Vice Chair

The Nominating Committee presents a slate of two candidates, for Business Issues Committee consideration, to serve as Vice-Chair of the Business Issues Committee for the remainder of the one year term, which will run through November 30, 2002.

The nominees are (in alphabetical order):

- Laurence DeWitt
- James Parmalee

We are circulating the credentials of the two nominees as submitted.

The election will be held, by secret ballot (s) on April 26, 2002. A vote of 58% in favor is needed to elect the Vice Chair.

LAURENCE B. DEWITT

13 Tamarack Dr.
Delmar, NY 12054
518-478-0602

PACE ENERGY PROJECT, 2000 to Present

Senior Policy Analyst

Represents environmental and small consumer interests at the New York Independent System Operator, which manages the bulk transmission and wholesale electric markets in New York. Efforts to date have focused on price responsive load and distributed generation issues. Serves as Chair of the New York ISO's Price Responsive Load Working Group. Major accomplishment was the development of an Emergency Demand Reduction Program that led to over 500 MWs of load reduction in the Summer of 2001. Helped design and institute an aggressive economic price response program that is seeking to establish demand responsiveness to prices as an integral and significant part of the energy market in New York State. Thorough evaluations have been conducted in order to develop improvements for these programs. Participating in the New England Demand Reduction Initiative. Actively participating in the efforts to merge the New York ISO and the ISO New England into a new Northeast Regional Transmission Organization.

Review the New York State Energy Plan and other proposed and existing energy policies. Also helped initiate a statewide environmental rule-making, at the New York Department of Environmental Conservation, that will establish emission standards for small generators while facilitating the rapid permitting of clean distributed generation. Successfully worked to remove barriers to renewable energy participation in New York's wholesale markets.

NEW YORK STATE DEPARTMENT OF PUBLIC SERVICE, 1988 to 1999

Director, Office of Energy Efficiency and Environment

Lead responsibility for developing a comprehensive competitive restructuring plan for one New York electric utility, while participating on the management team that oversaw all aspects of the restructuring of the electric and gas industries in New York State. Lead responsibility for developing thorough Environmental Impact Statements for all aspects of these landmark decisions. Also responsible for development of new energy efficiency, environmental, renewable energy, research and development, and low income programs that will

support this new competitive regime. Central role in the development of competitive retail energy markets.

Position involved regular communications and negotiations with utility executives, the legislature and State agencies. Maintained working relations with federal and state energy and environmental organizations. Participated actively on committees of the National Association of Regulatory Utility Commissioners. Spoke frequently at national energy, environmental and regulatory conferences and workshops. Reported to Commission Chairman. Staff of 30.

Major Accomplishments (1995 – 1999)

- ◆ Principal negotiator for the Orange and Rockland Utilities competitive restructuring agreement that implemented immediate rate reductions, auction of generation plants, full retail competition for all customers by mid-1999, and innovative environmental, energy efficiency and consumer awareness programs.
- ◆ Principal negotiator for the establishment of the statewide System Benefits Charge that provided \$234 million over three years for energy efficiency, renewables, research and development, and low income projects. The New York State Energy Research and Development Authority now administers this program.
- ◆ Managing Director for the Generic Environmental Impact Statement that thoroughly reviewed the probable environmental impacts associated with competitive restructuring, and that led to Commission approved mitigation strategies.
- ◆ Managing Director for New York's Environmental Disclosure program that requires retailers of electricity to provide information on the environmental characteristics of the electricity that they sell.
- ◆ A Managing Director for the Department's Retail Access Team whose job it was to encourage and facilitate retail competition by substantially removing regulatory requirements while maintaining or improving system reliability and consumer protections.
- ◆ Managing Director for Article VII and Article X cases that certify the siting of major new or repowered electric generation stations and siting of new gas and electric transmission lines.

Earlier Accomplishments

- ◆ Transformed utility demand-side management activities from pilot and demonstration stage into large-scale operational programs (1989-on), which

saved over 1200 MWs of electric capacity savings and over 3.5% of the state's annual use of electric energy (MWHs).

- ◆ Established competitive bidding (auction) programs for demand-side management for all New York electric utilities.
- ◆ Developed a system of Performance Based Regulation for demand-side management at all New York electric utilities to align shareholder, customer and public policy interests.
- ◆ Quantified baseline estimates of environmental externalities (including global climate change) in 1990; New York's Commission was the first in the nation to embed such costs in utility decision-making regarding acquisition of new electric generation and demand-side management.
- ◆ Initiated an in-depth multi-year study in 1995 that developed improved estimates of the damages caused in New York by environmental externalities.
- ◆ Developed pilot low-income weatherization and assistance programs to be run by each of the New York electric and gas utilities.

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY, 1978-1988

Program Director for Energy Efficiency and Economic Development, 1982-1988

Planned and implemented \$14 million per year program that developed and commercialized new conservation techniques and equipment in the industrial, transportation and building sectors. A major emphasis was on technology transfer, including developing methods for facilitating the adoption of these new technologies. Determined program priorities while managing 12 senior staff and overseeing the efforts of over 200 contractor personnel. Position involved regular presentations and briefings to the Chairman, members of the Board of Directors, the Budget Division and the Legislature. Represented the Authority on the Governor's Economic Development Subcabinet. Reported to the President.

Major Accomplishments

- ◆ Established the Lighting Research Center, jointly with the Rensselaer Polytechnic Institute, to develop and commercialize efficient lighting systems and equipment.

- ◆ Established the Energy Products Center that encouraged the manufacture in New York of new energy products while taking a royalty position.
- ◆ Initiated a \$3.5 million Residential Load Management program, an effort by the Authority, the state's electric utilities and the Electric Power Research Institute to develop and demonstrate new real time pricing equipment in the residential sector.
- ◆ Created the Industrial Waste Treatment Program that demonstrated cost and energy saving techniques for treating industrial waste more efficiently, while actually improving the environmental mitigation.
- ◆ Secured co-funding of about \$1.5 for every \$1 of Authority support.
- ◆ Received seven U.S. Department of Energy National Awards for outstanding projects.

Program Director for Systems Assessment, 1978-1982

Initiated and managed a \$3 million per year program which provided the Authority with planning and strategic technology assessment information concerning technical feasibility, short and long-term projected costs, financing and possible environmental impacts of energy programs. Also managed commercialization and technology transfer activities for all of the Authority's technologies and initiation of the Authority's Industrial Development Bond Program. Supervised a staff of seven professionals.

Major Accomplishments

- ◆ Devised and demonstrated innovative financing mechanisms, such as "shared savings" and third-party financings.
- ◆ Developed systematic analysis of comparative costs of the major energy alternatives for New York State.
- ◆ Established the first major artificial ocean reef made from blocks of coal ash (mixed with cement)—now a popular fishing site.
- ◆ Developed and operated system for acid rain monitoring and studied effects of acid rain in New York.

SYRACUSE RESEARCH CORPORATION, 1970-1978

Director, Energy Research Center, 1976-1978

Initiated the Energy Research Center, which conducted all of the Syracuse Research Corporation's energy research. Work focused on forecasting, economic and financial analysis, and review of state and federal energy programs. Responsible for obtaining funding for all projects, and managing a staff of seven senior and associate staff. Reported to the Corporate President.

Director, Educational Policy Research Center, 1974-1976

Managed the Syracuse Educational Policy Research Center, which was funded to explore and develop methodologies for forecasting long-term hardware, technological, economic and societal trends. Computer simulation, cross impact matrix, delphi, econometric, and other approaches were developed and utilized. Managed a staff of 25 full-time professionals and graduate assistants.

Deputy Director, Educational Policy Research Center, 1972-1974

Research Fellow, Educational Policy Research Center, 1970-1972

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, 1965-1966

Management Intern, Program and Policy Office in New Delhi, India

EDUCATION

Ph.D., Economics Maxwell Fellow	Maxwell School Syracuse University	1970
M.A., Public Administration Ford Foundation Fellow	Maxwell School Syracuse University	1966
B.A., Political Science	Amherst College	1964

**Laurence B. DeWitt Responses to Questions About NYISO Business Issues
Committee Vice-Chair Position
April 8, 2002**

Describe all experience you have had in chairing groups or committees of diverse interests, with a list of such groups.

My most relevant and most recent experience is serving as Chairman of the NYISO Business Issues Committee's Price Responsive Load Working Group. I have been serving in this capacity since September 2000. In this time a group with truly diverse interests and positions has fairly quickly and effectively created and put in place an emergency load reduction and an economic price responsive program. The group also conducted thorough evaluations of the first year (2001) of both programs, found a number of shortcomings, and proposed improvements. I am proud of the dedication that a large number of individuals demonstrated in working to make these programs as good as possible, including especially the constructive contributions of those who questioned or even opposed significant aspects of the programs. I also think we did an excellent job of good teamwork between the market participants and the NYISO staff, though we were fortunate to have truly outstanding ISO staff on our team. Probably I get some credit for facilitating this process—at least I, sometimes, knew when to get out of the way.

I also ran a number of teams and groups when I was a Director at the New York Public Service Commission, including the ones that: designed the Orange and Rockland Competitive Restructuring Settlement, designed the structure for the System Benefits Charge, and developed the Generic Environmental Impact Study for the competitive restructuring of the New York electric industry.

For the past several years I served as co-chair of the Hamagrael Elementary School Yearbook Committee. And you thought the NYISO was contentious?

Describe the support of your organization for your assuming the position of Vice-Chairperson, and describe your ability to make the necessary time commitment.

I have spoken in detail with the Pace University Energy Project about the nature of the responsibility of being a Vice-Chair and a Chair of the Business Issues Committee. They are aware of the time commitment, and will support me to the extent of funds availability. Were adequate funds not available to cover all of the time, I will perform the work out of my own resources.

Describe any training or experience you have had in mediation, ADR or consensus building.

While working at the New York Public Service Commission I took several training courses in team-building and alternative dispute resolution, as well as in management skill development.

Describe briefly why you would like to have this job.

Being Chair of the Price Responsive Load Working has been a very satisfying professional experience. Everyone pitched in; no one got too carried away for too long; and we developed some innovative and effective programs on a fairly quick timeline. There are many ways in which it would be very nice to stay with that group. At the same time, I would look forward to the greater challenge of working for the Business Issues Committee.

Describe your organization's actual and/or potential business interests in the Northeast and New York State, including the sector in which your organization participates for purposes of NYISO governance.

The Pace University Energy Project is an environmental and energy analysis organization. It has no commercial interests in the Northeast and New York as a market participant, although, just like everyone else, it is always concerned about its next contract. Such contracts are drawn from governmental entities and research foundations. I often represent small consumer organizations at the NYISO, and their interests are very much like that of other small consumers.

JAMES M. PARMELEE

Jim Parmelee, Director of Power Markets for LIPA, has over 23 years of experience in the electric power industry. His primary responsibility is coordinating LIPA's ISO policy. He currently serves as a representative on the NYISO Management Committee, Business Issues Committee and Operating Committee. He has also actively participated in a many Management Committee and Business Issues Committee working groups including: Liaison Committee, Management Committee Bylaws committee, Budget Standards and Performance Review, Credit Policy, Scheduling and Pricing, and Reserve Working Group and the Circuit Breaker Working Group. Beginning 18 months prior to the start of the NYISO, he represented LIPA on the steering committee that managed the ISO development and was a member of the working group that made policy decisions on the design of the ISO, crafted the modifications to the Tariffs and agreements that accommodated LIPA's tax exempt financing requirements, and drafted the FERC filings.

In his previous job with Navigant Consulting he worked on projects for electric utilities, independent power producers, ESCOs, power marketers, municipal utilities, Power Authorities, ISOs and End use customers throughout the country providing a understanding of the diverse interests of market participants and alternative approaches to managing power systems and power markets. His New York State Energy Office position as chief electric planner for the New York State Energy Office provides a strong background in the New York State system and its transition from regulated monopolies to a more competitive power markets.

EDUCATION

M.S. - Nuclear Engineering
Rensselaer Polytechnic Institute, Troy, New York

B.S. - Nuclear Engineering
Rensselaer Polytechnic Institute, Troy, New York

Electric Power Engineering Studies
Rensselaer Polytechnic Institute, Troy, New York

PROFESSIONAL HISTORY

2001 - Present - Long Island Power Authority
Current Position - Director of Power Markets

1995 - 2000 - Resource Management International, Inc.
Last position - Director

1979 - 1995 - New York State Energy Office
Last position - Chief Electric Planner

James Parmelee

- 1. Please describe all experience you have had in chairing groups or committees of diverse interests, with a list of such groups.**

Transmission Owners Technical Committee – Chaired a group of diverse utilities on a variety of issues including RTO mediation participation.

LIPA – Chaired working group of LIPA, KeySpan and Navigant Consulting staff to create LIPA's Long Island Choice Program.

Church Committees – Chaired Budget Committee, Endowment Committee and Finance Committee

New York State Energy Office – Chaired Division Computer Users Group

- 2. Please describe the support of your organization for your assuming the position of Vice-Chairperson, and describe your ability to make the necessary time commitment.**

LIPA has committed to provide full support for me to serve as BIC Vice-Chair and then Chair. Currently 90% of job responsibility is ISO matters, allowing BIC to be a priority task. When I become Chair of BIC, I will give up my chair of the Transmission Owners Technical Committee to make time for the BIC chairmanship. LIPA will also continue to have Kevin Jones available to represent LIPA at BIC meetings, providing me the opportunity to focus on running an efficient meeting.

- 3. Please describe any training or experience you have had in mediation, ADR or consensus building.**

All of the positions described in 1 above have provided experience in consensus building. My participation in the various ISO committees, working groups and task forces also has provided the opportunity develop consensus.

- 4. Please describe briefly why you would like to have this job.**

The next few years will be critical in transitioning from the New York ISO to a regional RTO. I believe my background in working with a variety of entities and experience in different regions of the country will help in understanding the issues needed to build a consensus to work toward an expeditious transition while maintaining system reliability and market efficiency.

- 5. Please describe briefly your organizations actual and/or potential business interests in the Northeast and New York State, including the sector in which your organization participates for purposes of NYISO governance.**

LIPA participates in the Public Power Sector. It owns and/or controls approximately 4200 MW of generation in New York State, owns most of the Bulk power system on Long Island and an interconnection to New England. LIPA owns most of the distribution system on Long Island and is an LSE for approximately 4500 MW of

load. LIPA has contracted for the construction of a New Transmission Tie to New England and is in the process of contracting for numerous new generation projects on Long Island.