

1 **Qualification Statement of**

2 **LON L. PETERS**

3 *Q. Please state your name, employer, and business address.*

4 A. My name is Lon L. Peters. I am the owner of Northwest Economic Research  
5 LLC. My business address is 1050 Stoneridge Drive, Pasadena, California 91105.

6 *Q. On whose behalf are you testifying?*

7 A. I am testifying on behalf of Joint Party 1 (JP-01), which consists of the  
8 Sacramento Municipal Utility District, Turlock Irrigation District, and the Transmission  
9 Agency of Northern California.

10 *Q. Please state your educational qualifications.*

11 A. I received the Bachelor of Arts degree in economics from Reed College in 1974,  
12 and was elected to Phi Beta Kappa. I received the Master of Arts, Master of Philosophy,  
13 and Doctor of Philosophy degrees, also in economics, from Yale University in 1976,  
14 1978, and 1981, respectively.

15 *Q. Please state your academic experience.*

16 A. From 1976 to 1979, I was a Graduate Research and Teaching Fellow at Yale  
17 University. From 1979 to 1980, I was a Guest Scholar at The Brookings Institution in  
18 Washington, D.C., and taught economics at Goucher College. From 1980 to 1982, I was  
19 Visiting Assistant Professor in the Economics Department at Reed College, where I  
20 taught microeconomic theory, the economics of industrial organization, and economic  
21 history. In the winter of 1984, I was a guest lecturer at the School of Public  
22 Administration, at Lewis and Clark College in Portland. From 1991 to 1996, I was the  
23 Chair or Co-Chair of the Economics Section of the Oregon Academy of Science. From  
24 2007 to 2009, I held a full-time appointment in the Economics Department at Reed  
25 College as Visiting Professor, where I taught economic theory, energy economics, and  
26 economic history, and supervised senior theses in Economics, Mathematics/Economics,  
27 and International and Comparative Policy Studies (Economics concentration). I have

1 also published and presented papers in the fields of energy economics and economic  
2 history.

3 *Q. Please review your experience in the electric utility industry.*

4 A. Since 1982, I have been employed in the electricity industry in various capacities.  
5 From 1982 to 1983, I was an Economist in the Division of Rates of the Bonneville Power  
6 Administration, and Chief of Wholesale Rates from 1984-86. From 1986 to 1994, I was  
7 Senior Economist at the Public Power Council, a trade organization representing  
8 consumer-owned customers of Bonneville. In 1994-95, I was Executive Economist and  
9 Director of the Portland (Oregon) Office of R.W. Beck, Inc. In 1996, I founded  
10 Northwest Economic Research, Inc., which was active until 2016. In 2010-11, I was the  
11 Senior Energy Economist at the Union of Concerned Scientists in Cambridge,  
12 Massachusetts. In 2011, I accepted the position of Power Planning Manager at Glendale  
13 Water & Power, in Glendale, California, and was promoted to Integrated Resources  
14 Planning Administrator in 2013. In May 2016 I retired from Glendale Water & Power.  
15 In August 2016, I organized Northwest Economic Research LLC in the State of  
16 California to succeed Northwest Economic Research, Inc.

17 *Q. Please describe your experience at Glendale Water and Power.*

18 A. My responsibilities included the following: overall management of all electricity  
19 and fuel supplies; management of leased transmission rights, transmission ownership  
20 rights, and fuel transport contracts (tenor of transactions: real-time through long-term);  
21 replacement of the Energy Trading and Risk Management system; development and  
22 implementation of risk management policies, practices, and procedures; revision of the  
23 cash reserve policy; support for Official Statements; management of carbon allowance  
24 inventory and divestiture from coal; support for cost-of-service analysis for retail rates;  
25 negotiation of agreements for distributed solar generation; design and implementation of  
26 a feed-in tariff; negotiation of a Balancing Area Authority Services Agreement with the  
27 Los Angeles Department of Water and Power (LADWP) and a new transmission service

1 agreement with LADWP; negotiation of energy storage acquisition; studies of the  
2 economics of distributed energy resources in Glendale; testimony before FERC on  
3 LADWP's Open Access Transmission Tariff; planning for acquisition of replacement  
4 power supplies during repowering of local generation; economic analyses associated  
5 with repowering of local generation (natural gas and landfill gas); negotiation of a 25-  
6 year PPA for acquisition of firmed renewable energy; management of state and federal  
7 reporting obligations; project manager for GWP's 2015 Integrated Resource Plan;  
8 litigation support (multiple transmission disputes); supervision of outside consultants;  
9 analyses and negotiations supporting long-term acquisition of renewable resources,  
10 including acquisition of transmission capacity and ancillary services; analyses and  
11 strategies for repowering existing local and remote generation resources; analyses and  
12 tactics for compliance with California state carbon (cap/trade) regulations and Renewable  
13 Portfolio Standards; (re)negotiation of generation, transmission, and assorted related  
14 contracts; preparation of annual and monthly budgets for external and internal  
15 generation and transmission projects; evaluation of options for balancing area services;  
16 evaluation of energy storage systems and negotiation of related contracts; representation  
17 of City on multiple committees related to ownership and operation of existing generation  
18 and transmission resources; coordination of energy strategies and tactics with other  
19 similarly-situated municipal utilities in southern California; oversight of contractors  
20 providing economic, legal, and technical services; analyses in support of billing disputes;  
21 and regular briefings of senior management.

22 *Q. Have you previously testified as an expert witness?*

23 *A. Yes. I have testified over thirty-five times before the Federal Energy Regulatory*  
24 *Commission, BPA, state commissions, state and federal legislative bodies, in arbitration*  
25 *and similar proceedings, and in state and federal courts.*

26 *Q. Are you a member of any professional organizations?*

27 *A. Yes. I am a member of the American Economic Association, the Economic*

- 1 History Association, the Economic History Society, and the Cliometric Society.
- 2 *Q. Does this complete your qualification statement?*
- 3 *A. Yes.*