

From: Edward D. Perrotti
Sent: Saturday, September 23, 2006 9:18 PM
To: Baugh, Zenobia
Subject: FY07-09

Mark Walker
Director of Public Affairs
Northwest Power & Conservation Council
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Dear NWPPC,

Many years ago, as a younger man, this was 1976 to 1981, I worked with my very good and capable late friend, John Sawhill, the CEO under then President Jimmy Carter on syn fuels.

Today we know syn fuels as bio fuels and renewables. Remember Gasohol?

These technologies that we see today in the industrial sector, more specifically the corporations that do military work have so much promise.

But we know what to do in the transportation sector and this is not rocket science and I heavily into Thermodynamics as an engineering undergraduate.

More about me below.

The use of hybrid vehicles is the key. Anything that we can do to get people to use a hybrid vehicle and US Senator Ron Wyden is so correct with his tax credits for people to acquire a hybrid.

Power generation. You know Edison may have been right and Westinghouse and Terzi not. Today when we speak about a solar device we are talking about on site generation. Cogeneration is not new and in the late 1970's, when Carter established the NWPPC, the US Congress made it possible for these firms to use cogeneration at their facilities.

Indeed when I worked for Texaco, we did a cogeneration unit at every refinery.

But please expand the model. The other thing that is so encouraging about on site is the work being undertaken in New York State at my alma mater, RPI (www.rpi.edu). The State is funding so many research programs there.

The one that I like is the idea that we have a hybrid system of electric power generation. Sure Transmission and Distribution, or line and poles, but a second and third source.

Solar will be quite efficient soon, given the work at the National Labs, Argonne and Oak Ridge. The sources and supplies of methane, natural gas are indeed numerous and natural gas prices are normalizing, now that the hedge funds are not taking long positions.

Methane is a worse green house gas than carbon dioxide. As the globe warms, more methane is released and that compounds the warming.

I feel that there is enough natural gas given what we know about reserves

and we have the lines, that we should have these new units at our homes, small business and commercial properties. Not to mention schools.

Climate change or global warming means the PNW will be attractive and we see this in Washington State, so many want to live here.

I would think that solar roof panels and a new hydrogen fuel cell unit at your home, would be a great way to generate electricity. Not to take down lines and poles, but to cut or reduce the incremental load or demand over the next few decades.

Indeed, if you had a home, like mine, where my use is around 400 kilo watt hours a month, I conserve and know ways to cut use, then surely 50 or more kwh per month could come from solar and a fuel cell. The fuel cell unit would be like a Trane unit and take natural gas and make electricity.

I heat with natural gas, a forced hot air system using a very efficient Lennox gas furnace.

This model is also a hybrid. As it uses existing power sources but also looks to on site as well, solar units at the roof and also a hydrogen fuel cell in the back of the house.

This would cut demand and the use of fossil fuels. Not burn natural gas to make electric power, use it at the home to generate clean electricity.

An additive model.

Very sincerely yours,
Edward D. Perrotti
Co Founder & Senior Partner (Retired)
Risk Analytics LLC
505 North B Street
Aberdeen, WA 98520

Education:

Rensselaer Polytechnic Institute
BS, Aeronautical Engineering 1969
MS, Management Science 1973

Harvard Business School
AMP, Executive Management Program 1975

Experience:

Philadelphia Electric Company 1969
Corporate Finance Dept.

Responsible for the development of new capital market financings for electric and gas utilities as well as energy capital equipment. Arranged debt and equity corporate offerings and created several original lease financing structures for use in power generating plant projects.

Industrial National Bank 1973
Vice President, Capital Equipment Finance

Pioneered the use of leverage lease financings in the utility and transportation industries. Lease financing structures for domestic and international carriers for DC10's, L1011's, 727's and 747's. Privately placed debt and equity offerings. Created innovative aircraft lease financing structures that employed joint venture partnerships with GE, GATX and the Bank of Tokyo. Expert in modeling equipment residual values and tax oriented lease optimization techniques.

Chase Manhattan Bank 1977
Vice President - Capital Markets Group

International capital equipment finance. Created the initial off balance sheet corporate financing arrangements for use in the international oil business. Developed the LTL structure as a means to facilitate the joint venture partnership financing of capital equipment sales. Developed multi-currency and cross border leverage lease financings for German capital equipment into offshore markets. Privately placed leverage lease equity and debt securities.

Texaco Inc 1981
Director - International Project/Marine Finance

Responsible for negotiating and documenting all lease financings of VLCC marine vessels, refineries and production facilities. Financings included the Cool Water gasification plant, the LOOP offshore facility, the Highlander project, the Pembroke refinery and cogeneration investments in the US. In addition, arranged lease agreements in the US, Europe and the Pacific (Caltex) with a variety of commercial and investment banks.

Promoted to President, Texaco Marine Financial Services with responsibility for global fleet financial management.

Deutsche Bank Capital Corp. 1987
President, International Leasing Group

The structuring of multi-currency cross border tax oriented lease financings for capital equipment exported to the US. Work included the development of programs for Airbus, Daimler, Bombardier and Porsche. Devised a joint venture/partnership subsidiary for use by Messerschmidt in the financing of commercial helicopter sales in the US.

Other:

Instructor - US Naval War College, Newport, RI 1975

Partner - Expert Health Systems, C/S Technologies 1991

Instructor – The Naugatuck Valley Community Technical College, Waterbury, CT 1992

Co Founder & Advisor - Risk Analytics, LLC (Technology Planning Associates) 1994

Instructor – The Grays Harbor College, Aberdeen WA, 1997

Founder & Trustee, The Streams & Ponds Foundation, 2005

Author & Mentor:

Global Capital Markets – Global Investment Principles Under Conditions of Uncertainty

Capital Cross Border Equipment & Plant Financing – Taking The Asset Off The Books, But Not Out Of The Portfolio

Streams & Ponds – The Complete Guide To Sustained Wealth Creation & Retention

The WJ Clinton Centers for Education Excellence

The Washington State Finance Authority – The Guide to State Owned Investment Banks

The Manzo Marino Avellino Violante Perrotti Guide To World Famous Northern Italian Cuisine

Stochastic Monte Carlo Non Single Point Estimation Simulation To Determine Probabilistic Election Results

Single parent father of a gifted daughter, a 4.000 student at NYU and winner of the prestigious Leopold Schepp award and member of the President's club.

A lifelong Baruch Democrat and strong supporter of Governor Gregoire & Representative Kessler

References:

Jim Eddy, Diane Ellison & Richard Lovely, Tom Laufmann, Bill Quigg

Marty Kay, Roy Nott, Tim & John Quigg, John Hughes & Doug Barker