

**EXHIBIT NO. ___(EDH-2)
DOCKET NO. UE-111048/UG-111049
2011 PSE GENERAL RATE CASE
WITNESS: EZRA D. HAUSMAN**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-111048
Docket No. UG-111049**

**FIRST EXHIBIT TO THE DIRECT TESTIMONY OF
EZRA D. HAUSMAN, PH.D.
ON BEHALF OF THE SIERRA CLUB**

DECEMBER 7, 2011

Ezra Daskal Hausman, Ph.D.

Vice President and Chief Operating Officer

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SUMMARY

I have worked for over 14 years as an electricity market analyst with a focus on market design and market restructuring, environmental regulation in electricity markets, and pricing of energy, capacity, transmission, losses and other electricity-related services. I have performed market analysis, offered expert testimony, led workshops and working groups, made presentations and participated on panels, and provided other support to clients in a number of areas, including:

- Economic analysis, price forecasting, and asset valuation in electricity markets
- Electricity and generating capacity market design
- Integrated Resource Planning and portfolio analysis
- Economic analysis of environmental and other regulations, including cap-and-trade regulation of CO₂, in electricity markets
- Quantification of the economic and environmental benefits of displaced emissions associated with energy efficiency and renewable energy initiatives
- Modeling and analysis of coordinated hydropower operations and water resource management on reservoir systems
- Regulation and mitigation of greenhouse gas emissions from the supply and demand sides of the U.S. electricity sector.

I have prepared reports and offered other expert services on these and other related topics for clients including federal and state agencies; offices of consumer advocate; legislative bodies; cities and towns; non-governmental organizations; foundations; industry associations; and resource developers.

I hold a Ph.D. in atmospheric science from Harvard University, an S.M. in applied physics from Harvard University, an M.S. in water resource engineering from Tufts University, and a B.A. degree from Wesleyan University.

PROFESSIONAL EXPERIENCE

Synapse Energy Economics Inc., Cambridge, MA.

Chief Operating Officer, March 2011 – Present;

Vice President, July 2009 – Present;

Senior Associate, 2005-2009.

Conducting research, writing reports, and presenting expert testimony pertaining to consumer, environmental, and public policy implications of electricity industry regulation. Focus of work includes:

- Economic analysis of electricity industry regulation and restructuring
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- Efficient pricing of generating and transmission capacity
- Long-term electric power system planning and market design
- Price forecasting and asset valuation
- Impact of air quality and environmental regulations on electricity markets and pricing
- Energy efficiency and renewable energy programs and policies, including avoided emissions analysis
- Market power and market concentration analysis in electricity markets
- Consumer and environmental protection
- Regulation and mitigation of greenhouse gas emissions.

Charles River Associates (CRA), Cambridge, MA. Senior Associate, 2004-2005

CRA acquired Tabors Caramanis & Associates in October, 2004.

Tabors Caramanis & Associates, Cambridge, MA. Senior Associate, 1998-2004

Modeling and analysis of electricity markets, generation and transmission systems. Projects included:

- Several market transition cost-benefit studies for development of Locational Marginal Price (LMP) based markets in US electricity markets
- Long-term market forecasting studies for valuation of generation and transmission assets,
- Valuation of financial instruments relating to transmission system congestion and losses
- Modeling and analysis of hydrologically and electrically interconnected hydropower system operations
- Natural gas market analysis and price forecasting studies
- Co-developed an innovative approach to hedging financial risk associated with transmission system losses of electricity
- Designed, developed and ran training seminars using a computer-based electricity market simulation game, to help familiarize market participants and students in the operation of LMP-based electricity markets.
- Developed and implemented analytical tools for assessment of market concentration in interconnected electricity markets, based on the “delivered price test” for assessing market accessibility in such a network
- Performed regional market power and market power mitigation studies
- Performed transmission feasibility studies for proposed new generation and transmission projects in various locations in the US
- Provided analytical support for expert testimony in a variety of regulatory and litigation proceedings, including breach of contract, bankruptcy, and antitrust cases, among others.

Global Risk Prediction Network, Inc., Greenland, NH. Vice President, 1997-1998

Developed private sector applications of climate forecast science in partnership with researchers at Columbia University. Specific projects included a statistical assessment of grain yield predictability in several crop regions around the world based on global climate indicators (Principal Investigator); a statistical assessment of road salt demand predictability in the United States based on global climate indicators (Principal Investigator); a preliminary design of a climate and climate forecast information website tailored to the interests of the business community; and the development of client base.

Hub Data, Inc., Cambridge, MA. Financial Software Consultant, 1986-1987, 1993-1997

Responsible for design, implementation and support of analytic and communications modules for bond portfolio management software; and developed software tools such as dynamic data

compression technique to facilitate product delivery, Windows interface for securities data products.

Abt Associates, Inc., Cambridge, MA. Environmental Policy Analyst, 1990-1991
Quantitative risk analysis to support federal environmental policy-making. Specific areas of research included risk assessment for federal regulations concerning sewage sludge disposal and pesticide use; statistical alternatives to Most-Exposed-Individual risk assessment paradigm; and research on non-point sources of water pollution.

Massachusetts Water Resources Authority, Charlestown, MA. Analyst, 1988-1990
Applied and evaluated demand forecasting techniques for the Eastern Massachusetts service area. Assessed applicability of various techniques to the system and to regional planning needs; and assessed yield/reliability relationship for the eastern Massachusetts water supply system, based on Monte-Carlo analysis of historical hydrology.

Somerville High School, Somerville, MA. Math Teacher, 1986-1987
Courses included trigonometry, computer programming, and basic math courses.

EDUCATION

Ph.D., Earth and Planetary Sciences. Harvard University, Cambridge, MA, 1997

S.M., Applied Physics. Harvard University, Cambridge, MA, 1993

M.S., Civil Engineering. Tufts University, Medford, MA, 1990

B.A., Wesleyan University, Psychology. Middletown, CT, 1985

FELLOWSHIPS, AWARDS AND AFFILIATIONS

President, Burr Elementary School Parent Teacher Organization, 2005-2007

UCAR Visiting Scientist Postdoctoral Fellowship, 1997

Postdoctoral Research Fellowship, Harvard University, 1997

Certificate of Distinction in Teaching, Harvard University, 1997

Graduate Research Fellowship, Harvard University, 1991-1997

Invited Participant, UCAR Global Change Institute, 1993

House Tutor, Leverett House, Harvard University, 1991-1993

Graduate Research Fellowship, Massachusetts Water Resources Authority, 1989-1990

Teaching Fellowships:

Harvard University: *Principles of Measurement and Modeling in Atmospheric Chemistry; Hydrology; Introduction to Environmental Science and Public Policy; The Atmosphere.*

Wesleyan University: *Introduction to Computer Programming; Psychological Statistics; Playwriting and Production.*

Professional affiliations

Member, American Association for the Advancement of Science

Member, American Economic Association

EXPERT SERVICES**Massachusetts Department of Energy Resources – 2009-2011**

Served as expert analyst and modeling coordinator for analysis related to implementation of the Massachusetts Global Warming Solutions Act.

Iowa Office of Consumer Advocate – 2010-Present

Assisted Consumer Advocate in evaluating a proposed power purchase agreement for the output of the Duane Arnold nuclear power station.

Missouri Public Service Commission (Docket No. EW-2010-0187) – 2010

Expert participant on behalf of the Sierra Club in stakeholder process to develop a “demand side investment mechanism” in Missouri.

Louisiana Public Service Commission (Docket No. R-28271 Subdocket B) – 2009-2010

Expert participant on behalf of the Sierra Club in Renewable Portfolio Standard Task Force considering RPS for Louisiana.

Joint Fiscal Committee of the Vermont Legislature – 2008-2010

Serving as lead expert advising the Legislature on economic issues related to the possible recertification of the Vermont Yankee nuclear power plant.

Town of Littleton, NH – 2006-2010

Serving as expert witness on the value of the Moore hydroelectric facility.

Nevada Public Service Commission (Docket No. 08-05014) – August, 2008

Presented prefiled and live testimony on behalf of Nevadans for Clean Affordable Reliable Energy regarding the proposed Ely Energy Center and resource planning practices in Nevada.

Mississippi Public Service Commission (Docket No. 2008-AD-158) – August, 2008

Presented written and live testimony on behalf of the Sierra Club regarding the resource plans filed by Entergy Mississippi and Mississippi Power Company.

Kansas House of Representatives - Committee on Energy and Utilities – February, 2008

Presented testimony on behalf of the Climate and Energy Project of the Land Institute of Kansas on a proposed bill regarding permitting of power plants. Focus was on the risks and costs associated with new coal plants and on their contribute to global climate change.

Vermont Public Service Board (Docket No. 7250) – 2006-2008

Prepared report and testimony in support of the application of Deerfield Wind, LLC. For a Certificate of Public Good for a proposed wind power facility.

Iowa Utilities Board (Docket No. GCU-07-1) – October, 2007 – January, 2008

Presented wrtten and live testimony on behalf of the Iowa Office of Consumer Advocate regarding the science of global climate change and the contribution of new coal plants to atmospheric CO₂.

Nevada Public Service Commission (Docket No. 07-06049) – October, 2007

Presented prefiled direct testimony on behalf of Nevadans for Clean Affordable Reliable Energy regarding treatment of carbon emissions costs and coal plant capital costs in utility resource planning.

Massachusetts General Court, Joint Committee on Economic Development and Emerging Technologies – July 2007

Presented written and live testimony on climate change science and the potential benefits of a revenue-neutral carbon tax in Massachusetts.

Town of Rockingham, VT – 2006-2007

Served as expert witness on the value of the Bellows Falls hydroelectric facility.

South Dakota Public Utilities Commission (Case No EL05-22) – June 2006**Minnesota Public Utilities Commission (Docket TR-05-1275) – December 2006**

Submitted prefiled and live testimony on the contribution of the proposed Big Stone II coal-fired generator to atmospheric CO₂, global climate change and the environment of South Dakota and Minnesota, respectively.

Arkansas Public Service Commission (Docket No. 06-070-U) – October 2006

Submitted prefiled direct testimony on inclusion of new wind and gas-fired generation resources in utility rate base.

Federal Energy Regulatory Commission (Docket Nos. ER055-1410-000 and EL05-148-000) – May-Sept 2006

- Participant in settlement hearings on proposed capacity market structure (the Reliability Pricing Model, or RPM) on behalf of State Consumer Advocates in Pennsylvania, Ohio and the District of Columbia
- Invited participant on technical conference panel on PJM's proposed Variable Resource Requirement (VRR) curve
- Filed Pre- and post-conference comments and affidavits with FERC
- Participated in numerous training and design conferences at PJM on RPM implementation.

Illinois Pollution Control Board (Docket No. R2006-025) – June-Aug 2006

Profile and live testimony presented on behalf of the Illinois EPA regarding the costs and benefits of proposed mercury emissions rule for Illinois power plants.

Long Island Sound LNG Task Force – January 2006

Presentation of study on the need for and alternatives to the proposed Broadwater LNG storage and regasification facility in Long Island Sound.

Iowa Utilities Board (Docket No. SPU-05-15) – November 2005

Whether Interstate Power and Light's should be permitted to sell the Duane Arnold Energy Center nuclear facility to FPLE Duane Arnold, Inc., a subsidiary of Florida Power and Light.

PUBLICATIONS AND REPORTS

Johnston, L., E.D. Hausman, B. Biewald, R. Wilson, and D. White. "2011 Carbon Dioxide Price Forecast." Synapse White Paper, February 11, 2011.

Hausman, E.D., V. Sabodash, N. Hughes, and J. I. Fisher, “Economic Impact Analysis of New Mexico's Greenhouse Gas Emissions Rule.” Prepared for New Energy Economy, February 9, 2011.

Hausman, E.D., J. Fisher, L. Mancinelli, and B. Biewald. “Productive and Unproductive Costs of CO₂ Cap-and-Trade: Impacts on Electricity Consumers and Producers.” Prepared for National Association of Regulatory Utility Commissioners, National Association of State Utility Consumer Advocates, National Rural Electric Cooperative Association, and American Public Power Association, July 15, 2009.

Peterson, P., E. Huasman, R. Fagan, and V. Sabodash, Report to the Ohio Office of Consumer Counsel, on the value of continued participation in RTOs. Filed under Ohio PUC Case No. 09-90-EL-COI, May 26, 2009.

Schlissel, D., L. Johnston, B. Biewald, D. White, E. Hausman, C. James, and J. Fisher, “Synapse 2008 CO₂ Price Forecasts.” July 2008.

Hausman, E.D., J. Fisher and B. Biewald, “Analysis of Indirect Emissions Benefits of Wind, Landfill Gas, and Municipal Solid Waste Generation.” Report to the Air Pollution Prevention and Control Division, National Risk Management Research Laboratory, U.S. Environmental Protection Agency, July, 2008.

Hausman, E.D. and C. James, “Cap and Trade CO₂ Regulation: Efficient Mitigation or a Give-away?” Presentation to the ELCON Spring Workshop, June, 2008.

Hausman, E.D., R. Hornby and A. Smith, “Bilateral Contracting in Deregulated Electricity Markets.” Prepared for the American Public Power Association, April, 2008.

Hausman, E.D., R. Fagan, D. White, K. Takahashi and A. Napoleon, “LMP Electricity Markets: Market Operations, Market Power and Value for Consumers.” Prepared and delivered for the American Public Power Association’s Electricity Market Reform Initiative (EMRI) symposium, *Assessing Restructured Electricity Markets*” in Washington, DC, February 5, 2007.

Hausman, E.D. and K. Takahashi, “The Proposed Broadwater LNG Import Terminal Response to Draft Environmental Impact Statement and Update of Synapse Analysis.” Synapse Energy report on behalf of the Connecticut Fund for the Environment and Save The Sound, January 22, 2007.

Hausman, E.D., K. Takahashi, D. Schlissel and B. Biewald, “The Proposed Broadwater LNG Import Terminal: An Analysis and Assessment of Alternatives.” Synapse Energy report on behalf of the Connecticut Fund for the Environment and Save The Sound, March 2, 2006.

Hausman, E.D., P. Peterson, D. White and B. Biewald, “RPM 2006: Windfall Profits for Existing Base Load Units in PJM: An Update of Two Case Studies” Synapse Energy report prepared on behalf of Pennsylvania Office of Consumer Advocate and the Illinois Citizens Utility Board, February, 2006.

Hausman, E.D., K. Takahashi, and B. Biewald, “The Glebe Mountain Wind Energy Project: Assessment of Project Benefits for Vermont and the New England Region” Report prepared on behalf of Glebe Mountain Wind Energy, LLC., February, 2006.

Hausman, E.D., K. Takahashi, and B. Biewald, “The Deerfield Wind Project: Assessment of the Need for Power and the Economic and Environmental Attributes of the Project” Report prepared on behalf of Deerfield Wind, LLC., January, 2006.

Hausman, E.D., P. Peterson, D. White and B. Biewald, “An RPM Case Study: Higher Costs for Consumers, Windfall Profits for Exelon” Synapse Energy report to the Illinois Citizens Utility Board, October, 2005.

Hausman, E.D. and G. Keith, “Calculating Displaced Emissions from Energy Efficiency and Renewable Energy Initiatives” Content for EPA website, 2005

Rudkevich, A., E.D. Hausman, R.D. Tabors, J. Bagnal and C Kopel, “Loss Hedging Rights: A Final Piece in the LMP Puzzle” *Hawaii International Conference on System Sciences, Hawaii*, January, 2005 (*accepted*).

Hausman, E.D. and R.D. Tabors, “The Role of Demand Underscheduling in the California Energy Crisis” *Hawaii International Conference on System Sciences, Hawaii*, January, 2004.

Hausman, E.D. and M.B. McElroy, The reorganization of the global carbon cycle at the last glacial termination, *Global Biogeochemical Cycles*, 13(2), 371-381, 1999.

Norton, F.L., E.D. Hausman and M.B. McElroy, “Hydrospheric transports, the oxygen isotope record, and tropical sea surface temperatures during the last glacial maximum” *Paleoceanography*, 12, 15-22, 1997.

Hausman, E.D. and M.B. McElroy, “Variations in the oceanic carbon cycle over glacial transitions: a time-dependent box model simulation” presented at the spring meeting of the American Geophysical Union, San Francisco, 1996.

PRESENTATIONS AND WORKSHOPS

NASUCA 2010 Annual Conference: “Addressing Climate Change while Protecting Consumers.” November 2010.

NASUCA Consumer Protection Committee: Briefing on the Synapse report entitled, “Productive and Unproductive Costs of CO₂ Cap-and-Trade.” September 2009.

NARUC 2009 Summer Meeting: Invited speaker on topic: “Productive and Unproductive Costs of CO₂ Cap-and-Trade.” July, 2009.

NASUCA 2008 Mid-Year Meeting: Invited speaker on the topic, “Protecting Consumers in a Warming World, Part II: Deregulated Markets.” June 2008.

Center for Climate Strategies: Facilitator and expert analyst on state-level policy options for mitigating greenhouse gas emissions. Serve as facilitator/expert for the Electricity Supply (ES) and Residential, Commercial and Industrial (RCI) Policy Working Groups in the states of Colorado and South Carolina. 2007-2008.

NASUCA 2007 Mid-Year Meeting: Invited speaker on the topic, “Protecting Consumers in a Warming World” June 2007.

ASHRAE Workshop on estimating greenhouse gas emissions from buildings in the design phase: Participant expert on estimating displaced emissions associated with energy efficiency in building design. Also hired by ASHRAE to document and produce a report on the workshop. April, 2007.

Assessing Restructured Electricity Markets An American Public Power Association Symposium: Invited speaker on the history and effectiveness of Locational Marginal Pricing (LMP) in northeastern United States electricity markets, February, 2007.

ASPO-USA 2006 National Conference: Invited speaker and panelist on the future role of LNG in the U.S. natural gas market, October, 2006.

Market Design Working Group: Participant in FERC-sponsored settlement process for designing capacity market structure for PJM on behalf of coalition of state utility consumer advocates, July-August 2006.

NASUCA 2006 Mid-Year Meeting: Invited speaker on the topic, "How Can Consumer Advocates Deal with Soaring Energy Prices?" June 2006.

Soundwaters Forum, Stamford, CT: Participated in a debate on the need for proposed Broadwater LNG terminal in Long Island Sound, June 2006.

Energy Modeling Forum: Participant in coordinated academic exercise focused on modeling US and world natural gas markets, December 2004.

Massachusetts Institute of Technology (MIT): Guest lecturer in Technology and Policy Program on electricity market structure, the LMP pricing system and risk hedging with FTRs. 2002-2005.

LMP: The Ultimate Hands-On Seminar. Two-day seminar held at various sites to explore concepts of LMP pricing and congestion risk hedging, including lecture and market simulation exercises. Custom seminars held for FERC staff, ERCOT staff, and various industry groups. 2003-2004.

Learning to Live with Locational Marginal Pricing: Fundamentals and Hands-On Simulation. Day-long seminar including on-line mock electricity market and congestion rights auction, December 2002.

LMP in California. Series of seminars on the introduction of LMP in the California electricity market, including on-line market simulation exercise. 2002.

Resume dated June 2011.