

02/03/15

Town of Fulton, Schoharie County

**COMMENTS ON NYPA BLENHEIM-GILBOA (BG) REVISED STUDY PLAN:
FERC DOCKET # P-2685**

2.5 EFFECT OF PROJECT OPERATIONS ON DOWNSTREAM FLOODING STUDY

2.5.3 STUDY GOALS AND OBJECTIVES

The Town of Fulton requests that the 40% discrepancies between NYPA's Probable Maximum Flood (PMF) and New York City DEP PMF is more than just a difference in inputs to HEC-RAS. A difference of 10-20% might be believable but not a 40% difference.

Models of how operation of the BG Project could mitigate future high water events are welcome. The increase in annual rainfall (National Weather Service, Albany, NY) in the last 50 years since the BG Project was built should be addressed in this study.

2.6 SOCIOECONOMICS

2.6.2 GEOGRAPHIC SCOPE

Neighboring Communities: The West Fulton Fire Department (WFFD) was not included in neighboring communities. The West Fulton FD is the second closest fire department to BG. It has mutual aid agreements with fire departments that provide coverage to BG. West Fulton had a first responders unit that was disbanded due to the financial burden. WFFD is funded by Town of Fulton taxes and we request WFFD be added to neighboring communities due to the likely use of WFFD by BG.

Task 1. Analyze the Economic Effects of the Blenheim-Gilboa Project

Task 3. Analyze the Impact of the Power Authority's Tax-Exempt Status on the Local Communities

The potential effect of BG should show the benefit to each county. Many people who are direct employees at BG do not live in Schoharie County but commute from Albany, Schenectady, Greene and Delaware counties. BG provides little benefit to host communities. The number of employees should be listed by county of residence, not zip code, to get a clearer picture of the benefit to host communities.

Employees at BG have gone over 4 years without a contract (no raises, only takeaways discussed in an attempt to drive down wages, thus economic impact). This has resulted in low morale at BG. There was a 20 year period during which there were few hires and much smaller number of employees working at BG - will this happen again?

The REMI model has tended to inflate the beneficial side of Socioeconomic studies. *The Misuse of Regional Models by Edwin S. Mills:* the conclusion of his paper cites that *REMI is frequently misused by state and local governments and their consultants that patently exaggerate the benefits and that such bias analysis cries out for explanation. Why do governments produce such patently bias analysis cries out for explanation. Why do governments produce such patently exaggerated estimates of benefits?*" We as stakeholders hope this is not going to be the case in this study.

3.6.3 PROPERTY TAX SCENARIOS (pages 67 & 68)

Proposes that the potential tax revenues be based on the absence of the BG Project. The BG Project was built at a cost of around 400 million dollars in 1969-1974 and if a non tax exempt utility had built the Project it would have been taxed on that value. NYPA states that no other entity would have built a pumped storage project; this is not true. Consolidated Edison (Con Ed) tried to license Cromwell on the Hudson Pumped Storage Project (Storm King Mountain dropped its pursuit of license in 1979) using the Hudson River as its lower reservoir, but like other attempted pumped storage projects, was shot down due to its negative impact and local resistance. NYPA attempted to license additional pumped storage projects at Breakabeen and Prattsville and was denied license due to negative impact of those large projects near BG. Livingstonville was the only viable site left to consider (note that Breakabeen and Livingstonville are located in Schoharie County). These projects were proposed so close to BG because the area has all the unique features needed for such projects (high net head, enough water and good location on power grid). These pumped storage projects cannot be built just anywhere as NYPA infers. BG was the best location in the State for such a project ,that is why it was built in Schoharie County. If a taxable entity like Con Ed had been able to get the BG site, Schoharie County would be more prosperous today .This pump storage plant history lesson is here to debunk NYPA's contention that no one would build a large pump storage project, note that since BG was built no "brown outs" (voltage reductions) of New York City have occurred showing the need and value of BG with its 3 large 345kV power lines in Schoharie county.

The reasons given by NYPA for doing the proposed study based on the Project not existing is just ridiculous. There were other developers (utilities) with resources and interest to build pumped storage plants; NYPA got here first, too bad for Schoharie County.

The BG Project's recent upgrades resulted in a record profit last year (the last upgrade to the power plant cost 130 million dollars, adding 160 megawatts) which increased profitability. Who puts hundreds of millions of dollars in a power plant and then says it is not valuable (there have been many upgrades). This plant is the Southeast New York Control Center for NYPA, it controls and maintains many small hydroelectric power plants, power lines and switchyards. Of the four remotely operated hydro plants- two are up for relicensing in 2020 (Crescent and Vischer-Ferry). These remote facilities add to the impact of BG on Schoharie County communities (much traffic from heavy maintenance vehicles, line crews, operators, etc.).

In conclusion, the Socioeconomic Impact Study should show that tax exempt hydroelectric facilities have a long-term negative impact on the communities and counties they are located in. Schoharie County is ranked among the poorest counties in New York State and St. Lawrence County, also the home of a large tax-exempt hydroelectric project, has suffered economically more than other counties in New York State. The school facilities and county services are not up to the standards in comparison to the rest of New York State. The hope is that in the next licensing period Blenheim-Gilboa will be an asset and not a drag on the local economies.

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