

**Blenheim Long Term Community Recovery Committee
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Chairman Don Airey

518-827-6115

April 8, 2016

Ms. Kimberly D. Bose
United States Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC. 20426

Ref: FERC Project Number: P-2685 NYPA Blenheim-Gilboa Pumped Storage Project
Relicensing – ISR

Dear Ms. Bose,

The Town of Blenheim Long-Term Community Recovery Committee (BLTCRC) is pleased to provide the following comments regarding the above referenced ISR relating to relicensing of Project Number: P-2685.

**Town of Blenheim Long-Term Community Recovery Committee
(BLTCRC) Comments to NYPA Initial Study Report (ISR)
Blenheim-Gilboa Pumped Storage Project
(FERC Project Number: P2685-026)
April 5, 2016**

The BLTCRC requests the following comments / recommendations be considered for inclusion / modification to the NYPA ISR(s).

1. Effect of Project Operations on Downstream Flooding Study:

A. The BLTCRC has concerns regarding the potential catastrophic effects of a NYPA BG Project dam failure, whether it be the upper or lower reservoir dam(s), that have not been adequately addressed and therefore requests such a study be incorporated into the current study or a separate study initiated. Such an adjunct to the current study or a new study would be of paramount importance in preparation by regional and local first responder / E-management entities in the event of such a catastrophic event. The BLTCRC requests the study include data / estimates of the effects of BG upper and / or lower reservoir dam(s) failure(s) of various magnitudes (partial, complete, sudden, etc.).

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B. The BLTCRC requests that estimates for a 1,000 year flood event be included in the current study or an adjunct study. By conducting such a 1,000 year flood event study the ability of the NYPA dam(s) to withstand such an event can then be analyzed and confirmed. It should be noted that such an enhanced study may have an impact on the Socio-Economic effects of the BG Facility on the residents of Blenheim and other downstream communities.

C. The BLTCRC has concerns that the Probable Maximum Flood (PMF) study conducted by RJ Associates in 2009 is inadequate. It is requested it be updated to now consider what was learned from the Hurricane Irene Event of 2011 while also including not just a 500 year flood event but also a 1,000 year flood event in any new / updated study. The BLTCRC requests the study include data pertaining to a 1,000 year flood and an updated study be conducted by a qualified firm in place of the outdated RJ Associates 2009 data.

D. The BLTCRC seeks study data reflective of the need and benefits of a cooperative flood mitigation effort between NYPA and The City of New York's Schoharie Reservoir operation(s) inclusive of a 1,000 year flood event and the operation of NYCDEP's low level outlet to be installed in the Schoharie-Gilboa Reservoir dam as it relates to potential and cooperative flood control / mitigation efforts. The BLTCRC requests the study include the above mentioned scenario(s).

2. Historic Structures Survey and Phase 1A Archaeological Survey / Study:

A. The BLTCRC maintains the scope and Area of Project Affect (APE) remains overly restrictive to the NYPA BG property only. This study should also include structures / archaeological sites that could be impacted by BG operations downstream in the event of a NYPA dam failure or any other such related event / operation(s), including taintor gate failure(s), etc. on the Schoharie Valley and beyond. Such structures and sites are located primarily in the established flood plain which could be expanded with the inclusion of a 1,000 year flood event as mentioned in the Effect of Project Operations on Downstream Flooding comments. The BLTCRC requests that the Historic Structures Survey / Archaeological Survey / Study be expanded to include the areas downstream in the Schoharie Valley impacted by such a 1,000 year flood event and / or NYPA BG facility dam(s) failure.

3. Fish Entrainment / Protection Assessment Study:

A. The BLTCRC offers no further comment relative to the Fish Entrainment / Protection study.

4. Socio-Economics and the Effect of the Tax-Exempt Status of the Facility on the local and neighboring communities:

A. The BLTCRC does not feel the effect(s) of the facility operations should be expanded to include the entire State of New York. Instead, the Area of Potential Effect (APE), and in this case potentially negative socio-economic effects, should be restricted to the host communities, neighboring communities and County of Schoharie where the BG project is sited. NYPA should not expand this APE in order to homogenize any negative effects in this case where in other

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studies has strictly limited the APE. The methodology should remain consistent and not be manipulated in this case to take advantage of a greater scope / area of potential benefit while limiting the area of potential negative impact where NYPA may see it to their advantage to do so.

Accordingly, the BLTCRC requests the socioeconomic effects of the tax-exempt status of the NYPA BG facility and related NYPA operations be limited to Schoharie County and the local, neighboring and host communities.

B. The BLTCRC requests that an accurate and complete tax / value assessment of the BG Facility be conducted in order to establish an accurate baseline of the project's value in order to calculate the effect of its tax-exempt effect(s). This seems like an obvious requirement the study should address and include.

Due to the highly specialized nature and complexity of the NYPA BG Facility / Operations it is necessary to contract a firm whose expertise lies in the evaluation / assessment of energy facilities such as the NYPA BG facility. Clearly the host and neighboring communities do not possess such expertise via the local assessor(s). Further, since the NYPA BG facility has been tax-exempt for some fifty (50) years or so there was no requirement to provide such an assessment on the part of the Town nor County. The expense of such a professional and expert assessment should be borne by NYPA. The firm chosen for such an assessment should be agreeable to NYPA, the host communities and County of Schoharie. Finally, NYPA may choose to provide the Agency's own calculation for assessed value that may be considered by the taxing entities.

C. The BLTCRC requests all inputs to the REMI Model be clearly listed, sourced and identified as an integral part of the study.

The REMI Modeling should also include a comparison of what the host and neighboring communities would receive in tax revenue if the BG facility was taxed as any other corporate entity and benefitted from the same such annual revenue stream.

D. The BLTCRC requests that the omnipresent threat of catastrophic event(s) the upper and lower reservoir dams of the BG facility present should be considered in the study. This threat, as evidenced by the events of August 28/29 of 2011 has a significant economic, social and psychological impact on the residents of the Town of Blenheim and the entire Schoharie Valley.

Residences, farms and businesses located downstream of the NYPA BG facility live under the constant threat of flooding during an extreme weather event which is becoming more and more likely. The additional threat of two (2) dams located at the NYPA BG Facility, one an earthen dam at an elevation in excess of 2,000 feet above sea level demands this type of ongoing threat be considered in any socio-economic impact study. The long-term stress and anxiety the BG Facility places on all inhabitants downstream of the NYPA BG facility cannot be underestimated as to its overall negative impact on the region. An impact not just on property value, health and safety, but also on the psychological aspect of those living and working downstream of the NYPA BG Facility. The threat posed by the NYPA BG facility and its operations may arguably

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be acute or minor, but nonetheless have existed since the NYPA BG Facility was built in 1969 and will continue to exist into the foreseeable future inclusive of the applicant's request for another fifty (50) year(s) operating license. These threats may be weather and climate enhanced but they are manmade threats created via NYPA BG facility operation(s), nevertheless.

The same issue(s) of the dams presents itself when considering locating / purchasing a residence, farm or business in the immediate downstream vicinity of the NYPA BG facility. A flood event is one thing, but a catastrophic dam failure represents a completely different scope of event. There is a natural concern and hesitancy to locate in an area subject to this type of threat. This natural concern applies to both residential and commercial applications. These concerns may not have existed prior to construction of the NYPA BG facility. Accordingly, the BLTCRC requests these impacts be addressed in the Socioeconomic Study.

E. The BLTCRC requests that the impact of distribution of “no cost” or “reduced cost” electrical power to Schoharie County residential and commercial users be included in the Socioeconomic Study.

F. The BLTCRC requests the study also evaluate the REAL and EXISTING impacts the lack of real property value taxation has caused in the host and neighboring communities, but especially the Town of Blenheim over the past fifty (50) years. The lack of general community services, modern highway facilities / equipment, cultural and historic funding, subsidized local health care facilities, general Town infrastructure improvements, modern Fire Department facility / equipment, child daycare, inability to attract business and residential growth, etc. This is an important consideration when evaluating the effects of the tax-exempt status of NYPA over such a long-term period to the host community.

The study should address what the small Town of Blenheim might be and look like today if fifty (50) years of tax revenue, potentially worth millions of dollars, had been realized.

5. Recreation Use / User Contact Study:

A. The BLTCRC requests the Recreation / User Contact Study cooperate with and include in the study now NYPA might cooperate / coordinate with activities by entities such as Schoharie Long-Term Recovery (SALT), the BLTCRC and other interested parties that are involved in such projects as the proposed Schoharie Creek Trail, the reconstructed Blenheim Covered Bridge Project, the Rt. 145 / Rt. 30 Scenic Byway Concept, the Schoharie County Tourism Board, The Schoharie County Beverage Trail, etc. These entities / projects are located well within the APE of the NYPA BG facility and the associated NYPA Visitors Center and the historic Lansing Manor located in the Town of Blenheim.

The NYPA BG Visitors Center is considered a tourist destination and therefore has a direct impact on the above mentioned entities / projects / tourism initiatives.

6. Recreational Boating Desktop Feasibility Assessment / Study:

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A. The BLTCRC requests the study include detailed analysis of how specific, timed water releases pre-scheduled by NYPA from the BG facility in coordination with Schoharie County and regional agencies, clubs and other such entities might enhance the use of the Schoharie Creek for boating opportunities even in time of low water levels. Further, this analysis should also incorporate the concept of cooperation with New York City DEP in coordination of Gilboa Reservoir potential water releases, when and as may be feasible for recreational uses.

Submitted by:

Don Airey – Chair – on behalf of the Blenheim Long-Term Recovery Committee (BLTCRC)