

**TOWN OF BLENHEIM
North Blenheim, New York 12131**

**Submitted on behalf of the Town of Blenheim, by authorization of the
Blenheim Town Board,
and Submitted also on behalf of the Blenheim Long Term Recovery Committee,
and also Submitted individually, as a lifelong resident of Blenheim,
by:**

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April 19, 2016

Re: FERC Docket # P-2685-026

**To: Federal Energy Regulatory Commission
Kimberly Bose, Secretary
888 First Street, NE ~ Room 1A
Washington, DC 20426**

**Re: License Application by New York State Power Authority to re-license
Blenheim- Gilboa Pumped Storage Project (Project # 2685-026)**

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Submission to Federal Energy Regulatory Commission :

**Comments in response to the New York Power Authority's
Initial Study Report for the License Application Process regarding
NYPA's Blenheim-Gilboa Pumped Storage Project**

**On February 19, 2016, the applicant, New York Power Authority (NYPA) filed its
Initial Study Report (ISR), in the application by NYPA to operate its pumped
storage hydropower project at Blenheim-Gilboa (B/G), in the proceeding
hereinabove referenced. NYPA subsequently presented this ISR in a public
meeting March 3, 2016, to our town and county representatives and other**

stakeholders in the relicensing process. The comments herein are in response to that ISR.

As previously indicated in comments submitted during the scoping hearings, I am a lifelong resident of Blenheim, and I also serve in a voluntary capacity as a member of the Blenheim Long-Term Community Recovery Committee (LTCR) of our community. I am also a Board member of Dam Concerned Citizens, Inc. (DCC), which has submitted separately recommendations relating to dam safety that our Town also supports.

Having been authorized by the Town Board of Blenheim to submit comments during the relicensing process herein, and having previously submitted comments (including our official request for a study of the socioeconomic impacts on our Host and Neighboring Communities of the NYPA – B/G project), I hereby submit these follow-up comments, both individually as a lifelong resident, and officially on behalf of the Town of Blenheim and also of the Blenheim Long – Term Recovery Committee, in response to the ISR submitted by NYPA .

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General Comment concerning a Fundamental Flaw permeating, and seriously undermining, the Credibility of the entire ISR: the parameters of the APE(s) are absurdly limited, excluding very extensive Impacts.

Before addressing the specific study components individually, it is important to emphasize from the outset a fundamental flaw that permeates this entire study, and that undermines its very credibility. That is the absurdly limited geographic scope of the Area of Potential Effect (APE) as defined for the several studies relating to impacts on Historic Structures, Archaeological Resources, and Environmental impacts of the project.

It is so obvious that these impacts extend far beyond the property owned by NYPA for its B/G project. The failure to address the true areas of impact is so glaring that it renders the entire study's validity questionable. It is a dereliction of duty for our state and federal regulatory agencies to fail to demand that a true, credible and professional approach to these significant impacts be analyzed with honest and thorough diligence, when the broader communities affected must live with these impacts for another half-century if a license renewal is granted.

As I stated at the March public meeting, accepting such an absurd premise, to utilize such a miniscule APE as the baseline for each of these studies --- as applied to the historic, archaeological and environmental impacts of this highly intrusive project --- is so illogical, it is as if there were a gigantic elephant in the room for all to see, and yet we are only looking at a flea on the rump of the elephant. It does a disservice to the communities --- and also to the credibility of our government itself --- to accept such a farcical definition as the starting point for these studies.

Our FERC officials are the only recourse we have as citizens, to step up in the public interest to insist that the scope of study for these significant impacts be enlarged to analyze the true effects upon our communities, for our natural and cultural resources, and for human and other species.

New Study (Environmental) and Modified Studies (Historical & Archaeological & Downstream Flooding) Recommended, pursuant to 18CFR Section 5.15

Under 18 CFR Section 5.15, we request that FERC require, in the public interest, several Modifications of Studies, and New Studies where appropriate, to incorporate a logical, common sense, credible, honest, professional analysis of the true impacts of this project, including :

- Modification of the APE(s) and appropriate study pursuant thereto, for the studies of **Historic, Archaeological and Cultural impacts**, to include the Schoharie Valley downstream of the B/G project.
- A New Study that would provide a professional and comprehensive **Environmental Impact** Study to address the breadth and depth of ecological impacts upon the Schoharie Creek, its flora and fauna and their habitats, its scenic and agricultural impacts, and other relevant components of a serious, genuine, thorough environmental impact assessment. Restricting the study to merely analyze the entrainment of fisheries within the two reservoirs of the project demonstrates a lack of good faith in addressing environmental impacts, and undermines the public's confidence in the governmental regulators who are charged with protecting our environmental resources. The original construction in 1969 of NYPA-B/G predated SEQRA requirements; this makes it even more logical that, a half century into the mission, the public interest would benefit from a thorough examination of the environmental impacts that this enormous manmade structure has had on our environment, so that going forward, we might be able to wisely manage the environmental challenges that it poses.
- Analysis of the **Downstream Flooding** impacts must be reconfigured to address the full watershed affecting NYPA's B/G project, including the upstream portion of Schoharie Creek and the Batavia Kill, and the three earthen dams in the headwaters area, which have had serious impacts on major flood events. It is imperative that this lacuna in the ISR be addressed in the course of this study.

**General Overarching Concern: A Shorter Term License Period would be wise:
We recommend a Relicensure Term of 30 Years Maximum.**

As stated in my previous submission, I reiterate our strong feeling that another half-century is too long a period to renew this license. If NYPA-B/G is relicensed, it should be for no longer than 30 years, to allow for a re-examination of design and operation parameters. When the

project was built in the 1960's, it was impossible to anticipate the climate change trends that have so severely changed our circumstances here. This dam was designed for much lower levels of precipitation. Current trends show a great increase in both severity and frequency of major weather episodes, and we must prepare adequately for the future, incorporating new realities into upgraded designs. It is not wise to extend the license for another 50 years, without re-examining this again much earlier in order to scrutinize whatever meteorological, seismic, environmental and other factors might have significantly changed yet again, leaving us with an inadequate design to ensure public safety, as well as energy generation needs.

Logic dictates that a shorter interval for licensure would be prudent, to ensure adequate modifications with the experience and insight of 30 years being brought to bear, whatever that experience illuminates. Waiting a half-century to examine these concerns, when such substantial unanticipated changes have evolved over the first half- century --- and also realizing that most of the first-hand institutional memory has disappeared --- seems short-sighted.

2.1 Historic Structures Study (pp 4 – 7 of NYPA's ISR)

The APE is far too confined for a credible, professional study of historic impacts.

It is obvious that the impacts of the Blenheim-Gilboa project extend far beyond the boundaries of the NYPA property. The entire Schoharie Valley, and its historic structures, are vulnerable should this dam collapse --- as it very nearly did in Hurricane Irene flooding (August 2011), destroying our historic Old Blenheim Bridge, a National Historic Landmark. The loss of this historic icon was due, in part, to the sudden surge of unprecedented force, that was precipitated not only by a record amount of water, but also by failures of multiple redundant systems at the NYPA – BG project, impeding the operation of the gates in the dam. This is an earthen dam impounding 4 billion gallons of water, and it truly strains credulity to suggest that the only potential historic impact to assess is the already historic home which NYPA confiscated by eminent domain, and which is actually not impacted by the project in the future (as it is above flood level) --- while ignoring the real, valid potential vulnerabilities that this earthen dam does actually create for the entire Schoharie Valley ---

from historic sites in Gilboa and Blenheim to Schenectady, including the Old Stone Fort at Schoharie and the Historic Stockade District in Schenectady.

Furthermore, the County is commencing a project to build a replica of the Old Benheim Bridge, restoring the iconic identity of our town and its history. This, combined with the town greenway envisioned, the Schoolhouse Museum restoration, and our arboretum project, will generate new history-related tourism activity as well.

2.2 Archaeological Study (pp 8 - 11 of NYPA's ISR)

The APE is far too confined for a credible, professional study of archaeological impacts. Again, the APE proposed for the archaeological study is limited to the boundaries of the NYPA – B/G project, ignoring the intent that this process should examine the true impacts of the project. There are other potential assets throughout the valley that deserve at least a cursory inventory. Should the dam ever fail, potentially extensive archaeological troves downstream could be lost. The area is very rich in Iroquois artifacts, such as arrowheads and other implements that are found in Schoharie Creek, farmers' fields, and along old Native American trails.

The local Iroquois Museum in Howes Cave, as well as the State University of New York (at Albany and at Cobleskill) could be engaged to assist in such studies, to provide some meaningful results. There is even an archaeologist resident of Blenheim, locally, with a PhD in archaeology, whose experience and local roots and knowledge of previous area digs, could be tapped for this type of broader study.

2.3 Fish Entrainment / Protection Study (pp 12 - 15 of NYPA's ISR)

Again, there is no attempt to deal with the obvious far-reaching effects of this huge hydroproject on the stream ecology of Schoharie Creek. Habitat issues for several species, recreational and tourism impacts, scenic degradation, loss of stability in the creek bed and channels, agricultural impacts, and other environmental impacts are ignored. Instead, the

proposed plan is to merely assess the impacts upon fish species migrating between upper and lower reservoirs.

This is absurdly preposterous. One cannot assess the environmental impact of a megaproject like this 4.5 billion gallon earthen dam and its two reservoirs in a vacuum, ignoring all impacts except the fish that are confined within the dam. It is simply indefensible from a professional perspective to pretend that there are no further environmental impacts for the broader resources of Schoharie Valley.

This is such a dishonest approach to science, and to environmental concern, that it boggles the mind.

I reference my further comments on this subject as previously submitted. The APE is far too confined for a credible, professional study of environmental impacts. There should be a full, thorough, in-depth Environmental Impact Study of the ecological impacts throughout the Schoharie Valley.

2.4 Recreation Use / User Contact Study (pp 16 - 26 of NYPA's ISR)

We support the issues raised by Schoharie County Relicensing Committee (SCRC) regarding the Recreation study. Although it appears that the Recreation study is not yet complete, a few brief comments are relevant at this stage.

It should be noted that the study should take into account the new opportunities for kayaking and canoeing events that may become possible by 2020 with the completion of the new Low Level Outlet (LLO) at NYCDEP's renovated Gilboa Dam. Furthermore, NYSDEC and NYCDEP have committed to minimum Conservation Releases downstream, which will also enhance fisheries and their habitats downstream, and attract more fishing activity to boost our local tourism industry.

Again, it is simply not credible to merely look at the very limited APE. Just as one example, the Schoharie Creek, downstream of NYPA – B/G, in the past had been a viable venue for

canoeing and kayaking events, and downstream releases by NYPA could help restore such activities, which help boost recreational tourism, an important part of our local economy. I reference my further comments on this subject as previously submitted. The APE is far too confined for a credible, professional study of historic impacts.

In addition, the study should pursue other activities besides boating (hiking, stargazing, birdwatching, cross-country-skiing, among them).

2.5 Downstream Flooding Effects Study (pp 27 - 34 of NYPA's ISR)

Dam Safety & Flood Mitigation are Priority Concerns of our Communities

We strongly support the recommendations submitted by Schoharie County Relicensing Committee (SCRC) herein, regarding the need to more vigorously analyze the potential flooding impacts downstream.

One cannot overestimate the extreme, and ever present, concerns of residents in Schoharie Valley who live downstream of this behemoth project consisting of an entirely earthen dam holding back 4.5 billion gallons of water --- combined with the even larger Schoharie Reservoir upstream at Gilboa Dam (a partially earthen dam with a masonry spillway) that holds back an additional 20 billion gallons of water.

In addition to concerns for life and property, the pervasive psychological impact of living downstream from the “sleeping giants” of two major dam projects, is a factor that has had vivid validation in very recent memory.

Not only have we experienced several major floods in our own lifetimes, but we are well aware that in the half-century that has passed since this dam was built, climate change trends have exacerbated the frequency and severity of these meteorological episodes that cause severe flooding, and potential loss of life, property and natural resources.

Hurricane Irene in particular, in August of 2011, a record flood, drove home the tremendous destructive power that nature can visit upon this valley, and an awareness that manmade decisions and structures can also potentially exacerbate the risks already

imposed by nature. We all need to prepare prudently --- in public policy as well as in our personal decisions as property owners, and as stewards of our natural resources --- for worst case scenarios, to minimize threats to life and property.

It is imperative that the disparity between PMF formulae of NYPA & NYCDEP be resolved; the methodologies should be objectively scrutinized, and the most accurate one determined, so that the design and operations standards ensure the highest level of safety.

For the reasons aforementioned, we are immensely concerned with the very substantial differential between the estimate of Probable Maximum Flood (PMF) on which NYPA has based its design and operations, compared to the PMF projected by New York City Department of Environmental Protection (NYCDEP) in their Factor Of Safety (FOS) calculations for design and operations at Gilboa Dam / Schoharie Reservoir, a mere five miles upstream in the same watershed. Although we have repeatedly raised this concern, it appears that NYPA seems unconcerned about reconciling this issue.

This concern is particularly reinforced by the fact that the actual data from the Hurricane Irene floods validated the NYCDEP calculations. With NYCDEP's PMF anticipating a flow of 312,000 CFS, versus a mere 165,00 to 174,000 CFS projected by NYPA, the disparity between methodologies is substantial. It is in the very serious public interest that, before relicensing proceeds, this needs to be thoroughly examined by FERC, NYPA, NYCDEP, Dam Concerned Citizens (DCC) and other relevant entities, to arrive at a consensus in establishing proper assumptions in approaching both design and operational issues for the next half-century.

These issues are presented in greater detail by Dam Concerned Citizens (DCC) and by Schoharie County Relicensing Committee in their submissions herein, which the Town of Blenheim and the Blenheim Long Term Recovery Committee (LTRC) fully endorse and support.

Lacunae in the Geographic Definition of the Watershed need to be addressed, by adding the upper headwaters of Schoharie Creek.

The DCC research, presented in Schoharie County's submission, also points out that the ISR has failed to include a significant, critical part of the Schoharie Creek's watershed upstream NYPA of B/G, a nearly 30-mile stretch that encompasses the headwaters and the Batavia Kill, a major tributary. In neglecting to embrace this important part of the watershed, it also excludes three earthen dams that have significantly contributed to major downstream flooding, particularly when they were breached during Hurricane Irene. This area that has been left out of the study needs to be included, and all the data relative to this area thoroughly analyzed, to address the outstanding issues relating to PMF and other important factors in ensuring proper safety standards.

Seismic Issues need to be incorporated into the Study

Last autumn, we experienced a significant earthquake, 3.0 magnitude on the Richter scale, the epicenter of which was directly under the upper reservoir of NYPA - B/G. In addition, only days later there was an additional seismic event on the same fault line, this time north of the Mohawk River. There has been a notable increase in local seismic activity over the past decade. In fact, recognizing this, NYCDEP has decided to incorporate seismic detection instrumentation into its newly renovated Gilboa Dam at Schoharie Reservoir, upstream a few miles from the NYPA - B/G project.

DCC and the Schoharie County Board of Supervisors have strongly recommended that a specialized consultant be engaged to study the issues that occurred at B/G. There is an expert seismic geologist at SUNY Buffalo who has published studies of the specific linkages between hydropower dams --- especially pumped storage dams, where the ongoing activity of constantly pumping up, and releasing down, between the two

reservoirs may exacerbate the frequency of such seismic occurrences --- have been found to sometimes be a significant factor. It is our recommendation that the consultant, to ensure objective analysis, should be selected by and accountable to the Dam Safety division of the state Department of Environmental Conservation (NYSDEC), with the costs paid by NYPA, and said study results incorporated into the study addressing dam safety and flood mitigation issues.

Additional Gauges in Schoharie Creek Watershed

DCC and the Schoharie County Soil & Water Conservation District (SCSWCD) recently succeeded in obtaining grant funding to provide three additional USGS gauges on the Schoharie Creek, at Middleburgh, Fox Creek and Burtonsville. These new gauges utilize technologies including satellite monitoring and solar power, providing real-time data regarding precipitation, elevation and stream flow velocity. This recent addition has increased the total gauges in the creek and its tributaries from eleven to fourteen, which represents a substantial improvement, particularly in times of severe weather events that may threaten the valley.

An unresolved issue, however, remains the maintenance of these gauges. We recommend that NYPA should commit to subsidizing the ongoing maintenance of these USGS gauges; it will certainly be in their interest, as well as the public interest, to have this enhanced system of reliable data when predicting the course of severe meteorological events in Schoharie Valley.

2.6 Socioeconomic Impacts Study (pp 35 - 39 of NYPA's ISR)

While this part of the ISR is not yet complete, it is important at this interim stage to set forth the stakeholders' concerns that remain to be addressed, as the methodology for this study evolves. In particular, the references to the REMI Model do not particularly clarify how the impacts of tax exemption will be determined. In particular, it would be helpful at this interim stage to resolve the paramount issue of the study methodology for

analyzing the impacts that the tax exempt status of the project have imposed on our communities.

Furthermore, we agree with the recommendation as stated in the submission by the Schoharie County Relicensing Committee (SCRC) herein, that it is not appropriate to expand the APE for the Tax-Exempt Status impacts to a statewide scope. Obviously, it is the downstate areas that are the beneficiaries of the power generated through the sacrifices that have been made, in negative impacts to host communities, such as tax base lost, as well as other deleterious effects (environmental, historic, agricultural, economic, etc.). To then claim that these same areas that have had their energy needs supplied by these lands being seized, should then purport to share in the negative impacts of those tax losses --- borne by the host communities --- would be without justification.

Tax-Exempt Status Impacts on Host Communities

In addition to public safety issues, the most critical issue for the future of the Host Communities is that of fair compensation for the loss of tax revenue that has resulted from the tax-exempt status of the NYPA – B/G project.

It is important that this study incorporate a sound, realistic, fair, objective, professional methodology for quantification of the severe negative impacts that deprivation of this substantial revenue has caused for this area, already an impoverished region that is part of Appalachia. Such a reliable methodology has still not been proposed in sufficient detail.

The Host communities in particular --- the Town of Blenheim, the Town of Gilboa, the Gilboa-Conesville School District and Schoharie County --- have been deprived of substantial, and desperately needed, revenue for basic services in the past half-century, as a result of NYPA confiscating substantial property through eminent domain, without compensation to the tax base.

Among the host communities, none has been as severely impacted as the Town of Blenheim, which lost a full third of its tax base to the NYPA – B/G project. Blenheim is already the

smallest town in population in our county, and among the poorest. Due to the decimation of our tax base, these circumstances have been severely exacerbated, and we are among the highest taxed towns in the county, even though our services are the most minimal of any communities. Having lost such a huge portion of our tax base, we are severely challenged to even meet the most basic needs of our citizens. We struggle along with inadequate public facilities and equipment, for our highway infrastructure, for our emergency services, and other needs. In addition, the economic circumstances created by these impacts are impediments to our ability to attract business development, or further residential growth.

It is imperative to reassess the Current Value of the Project; this will necessitate engaging a consultant with specialized expertise in the valuation of Energy Facilities.

It is our belief --- for the Town of Blenheim, for the Blenheim Long Term Recovery Committee, and for many of us as individual residents --- that it is important to do an objective assessment of the hydropower project. Obviously such a task is far beyond the expertise of local or county assessors; a specialized expertise is needed to approach quantifying the current value of an infrastructure facility of this magnitude. Simply by virtue of the fact that it has been tax-exempt for a half-century, it has obviously not even been reassessed throughout those years at even the most minimal approach to valuation: with no taxation to ensue, there has been no reason to revisit the assessment value. However, now with the relicensing on the horizon, and a compensation package anticipated as a part of that process, it is critical that a serious revaluation based on genuine specialized expertise relating to energy facilities, be conducted.

Engaging such a consultant will require a widespread national search process. While the expense for engaging such a consultant should be borne by NYPA, the selection should be a joint process involving the Host communities, including the County.

The Evolution of this Revaluation Issue: Ambiguity remains, and a Resolution is needed.

Initially, in its presentation of its PSP in October 2014, NYPA proposed to evaluate this tax loss impact by treating its facility as “vacant, unimproved land”. This was so absurd as to be preposterous.

Subsequently, the revised PSP did hold forth a minor revision, proposing to examine the general “current development values”, and evaluate potential revenue effects based on the average assessed value per acre in the area. While this did move the needle a notch above the absurd initial proposal, it is still totally inadequate to reflect a realistic value.

The draconian increased tax burden that the remaining residents have had to absorb, to essentially subsidize NYPA, to whom our town and others provide services, is patently unfair.

I reside on a farm, on Burnt Hill Road in Blenheim, where my family has lived and farmed for several generations. We are on a hill which overlooks the NYPA – B/G hydroproject. I can attest that it is actually there, physically. It is no mere mirage. Where there once were fertile, productive, scenic farms which contributed to the local economy and enhanced the environment, there is now an enormous physical plant. It is not “vacant, unimproved land”. Nor does it represent the “average value per acre” of lands in the adjacent area.

Furthermore, NYPA is an entity which generates enormous profits, and also it is an entity that is not known for being a model of frugal budgetary restraint in its expenditures. This very profitable “public benefit” agency can well afford to contribute some compensatory “public benefit” relief to the tiny, beleaguered host community of Blenheim whose tax base it has decimated, as well as to the other host communities, and neighboring communities as well.

If the hydroproject at Blenheim-Gilboa were owned and operated by a private sector energy firm, the taxes they would be contributing to this host community would be substantial. The evaluation of the impact of revenue loss on our town, and the other municipal entities that are host communities, must be based on their actual value to have any credibility whatsoever. This situation is so inequitable as to be intolerable and indefensible. If this key issue is not required to be examined honestly and fairly, then there is nothing else in the licensure procedure that can be trusted. It is so basic, and so obvious, and so common sense, that it must be addressed based on reality. Any faux methodology relating to this critical issue would undermine the entire ISR and its professional credibility.

I raise this issue in some detail because thus far there is still ambiguity about the methodology proposed for this part of the study, and, even though the Socioeconomic study is still incomplete, it is important to forcefully present these concerns on the record.

Transmission Lines

The myriad of high power transmission lines should also be factored in as a negative impact. Certainly these lines diminish real property resale values substantially, and their unsightly, very intrusive presence cutting across the scenic pastoral landscape can often dissuade people from moving into a community at all.

Emergency Responder Impacts, for Host & Neighbor Communities

It is also inequitable that the host communities, and adjacent neighbor communities which participate in emergency response to NYPA – B/G as well as the broader community, have received little compensation over these fifty years toward these expenses. All our communities depend upon volunteer fire and ambulance services, and the mutual aid network that they are a part of; all these volunteer organizations are suffering with financial challenges, outdated and inadequate equipment, a dwindling pool of active volunteers, and other issues, have over a half-century had very little assistance from NYPA, when we must cover their facilities with emergency response.

This is an issue on which many of us as stakeholders opined in our previous filed statements, and I reference those previous comments from myself and others.

Infrastructure Maintenance Burdens

Similarly, as host communities we (Schoharie County and the Towns of Gilboa and Blenheim) provide services to NYPA in maintaining numerous roads and bridges, on which their heavy equipment and associated traffic take a heavy toll. The Socioeconomic study should also examine the impact of subsidizing these services for a megaproject that is tax exempt.

Employment Impacts Data

It would be useful to have more detail regarding the demographic data relating to NYPA – B/G employees (e.g., managerial versus entry-level positions; data as to which towns, as well as counties, employees reside in; retiree data ; etc.). The County submission indicated the need to account for multiple zip codes in towns (in Blenheim, for example, there are at least five Post Office zip codes).