

**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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November 14, 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
Socioeconomic Impacts Study Report,
for the License Application Process regarding
NYPA's Blenheim-Gilboa Pumped Storage Project**

**On September 15, 2016, the applicant, New York Power Authority (NYPA) filed its
proposed Socioeconomic Impacts Study Report, 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 study in a public meeting**

September 29, 2016, to our town and county representatives and other stakeholders in the relicensing process. The comments herein are in response to the socioeconomic impacts study.

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 Socioeconomic Impacts study submitted by NYPA .

~~~~~ **Socioeconomic Impacts Study** ~~~~~

It is important to provide some preliminary context to the study as presented. Although NYPA and its paid consultants seek to convey a rosy picture of positive impacts that have resulted, and will continue to flow, from the Blenheim-Gilboa project, this is in stark contrast to the perceptions on the part of our community residents. We as residents of the host communities --- and particularly the prime host community of Blenheim --- have had to live with the unfortunate presence of this project for a half-century thus far, and should the license be renewed, potentially for another half-century ahead. Any minor benefits (e.g., a few jobs for local residents, a few

events at the local park and museum that occasionally bring some visitors to the area) are vastly outweighed by the overwhelmingly deleterious consequences of this project on our host community's wellbeing. Indeed, those consequences have been catastrophic for our financial stability as a municipality, for our environment, for our scenic, historic and agricultural resources, for our social existence as a community, and indeed for our very fundamental safety and survival.

### **Impact of Real Property Tax Exemption on the Host Communities**

This issue is an existential one for the town of Blenheim. Our tax base was devastated by this project, with no compensation for that loss for the past fifty years. It is doubtful whether we have a reasonable future as a town unless there is a just compensation ensured for the next fifty years going forward.

Of the many flaws in NYPA's presentations to FERC, the issue of the impact of the operating agency's exemption from real property tax is the most glaring. The fundamental premise in their methodology of valuing this property as "undeveloped" land is simply ludicrous. If this very same project --- physical plant, transmission lines, etc. --- were owned and operated by any private sector energy generator, they would be taxed accordingly, and it is obvious that the basis would be actual value, not undeveloped land. For the many adversities we have endured as a host community, this adds insult to injury by insulting our collective intelligence.

Furthermore, any allusions to the current "assessed value" on the record are invalid. Obviously, with the properties in question being tax-exempt, local assessors had no incentive over these multiple decades to update any assessment of the project, as it was irrelevant to any revenue expectations. Many of us have urged that a professional assessment be done by a nationally recognized expert in assessment of major infrastructure of this nature, and that is still a path that should be pursued for a fair determination of value.

When NYPA seized these lands in the late 1960s by eminent domain, taking five productive farms as well as other properties, this more than decimated the Town of Blenheim, removing in

one fell swoop fully a third of our tax base, without a penny of compensation for that loss to a community that was already financially challenged. Blenheim is a poor community, the smallest town in Schoharie County, and part of the federally designated Appalachian Region, so constituted based on high poverty demographics in multiple indices. Our little town was already limping along with limited resources; since the devastation of our tax base by NYPA, we have been even further impoverished as a municipality. It is daunting to provide even the most basic of services, without funds for necessary equipment, for infrastructure maintenance, for equipment repairs, etc. For this giant agency with all its resources to have shown such a callous lack of concern for their neighbors has been unconscionable.

When NYPA built this project, we pled for some compensation to help this beleaguered community. Their response was always that it was impossible because any compensation would create a precedent. This time around, with the relicensing, we are heartened by the fact that there are now precedents whereby NYPA has given substantial compensation to other communities in Niagara and St. Lawrence, so there must be some relief in sight for this area as part of a new license agreement.

However, the fact that NYPA continues to be disingenuous, attempting to elude their responsibility by portraying the losses incurred by the host communities in such a patently misleading way as claiming “undeveloped” land as their valuation basis, demonstrates a lack of willingness to act in good faith. It frankly undermines the very credibility of the entire study, for if they are engaging in such a fraudulent premise for such a fundamental and crucial issue as this, how can one believe anything else in their multiple studies?

### **Safety and Survival**

The unfortunate presence of NYPA’s B/G project is another existential issue for Blenheim --- in this case, our very physical existence. The presence of this behemoth project --- an earthen dam holding back 4.5 billion gallons of water, with vulnerabilities that have become all too glaring in the wake of the record floods experienced with Hurricane Irene in 2011 --- has very vividly undermined the safety and security of Blenheim. Our little community is the “tip of the spear”, situated immediately downstream of this massive earthen dam, first to fall victim in the event of

a dam failure or major flood, in which worst case scenario there would be mere minutes to evacuate to save lives.

Indeed, we attribute the loss in the 2011 floods of our Old Blenheim Bridge, a National Historic Landmark built in 1855, at least in part to failures at NYPA. This iconic landmark, built in 1855 --- the longest single-span wooden covered bridge in the world, and a renowned engineering feat in its era --- had outlasted all previous floods. During the major floods in 2011, all redundant electronic systems for opening the gates failed successively; until some heroic employees at NYPA stepped in and were finally able to manually accomplish the opening. However, the resultant delays meant that when the gates finally were opened, so much excess water had built up that it created an unprecedented tsunami-like wall of water, a surge that, moving rapidly downstream, wiped out everything in its path, including this iconic bridge.

There continues to be a psychological toll on our community, from knowing that we are living downstream from two sleeping giants, the NYPA dams and the New York City water supply dam, that create risks in this high hazard classification waterway, that are an inescapable part of life. The risk related to B/G is especially keen due to its completely earthen construction.

These risks are further exacerbated by the compelling issues related to climate change. The data show clearly that the projected probable maximum precipitation (PMP) during the 1960s when B/G was built was substantially lower than we now experience five decades later. Indeed, it is imperative that, if relicensure is granted, significant design upgrades are needed to accommodate these changes in order to ensure an adequate factor of safety standard for the community in the next half century.

Another major concern, outlined in greater detail in our previous submissions in this proceeding, is the substantial disparity between the formulae for projecting the probable maximum flood (PMP) used by NYPA and that used by the New York City Department of Environmental Protection (NYCDEP) a mere five miles upstream. It is imperative that the professional experts work together to develop a consensus on the appropriate methodology for this important calculation. Current standards ensure a far safer set of assumptions by NYCDEP than those by

NYPA, and this is an issue that creates considerable angst for the host community, living downstream with the safety risks involved. It would be unconscionable to grant a further license for fifty, or even thirty, years without professional resolution of this differential, erring on the side of caution to protect lives and property at stake.

While these issues are also being examined in the dam safety / flood mitigation study related hereto, it is also important to mention them as part of the socioeconomic impacts of the project. Not only do these concerns affect the psychological impacts on community residents, but they also have an obvious impact on property values. The perception of dam safety and potential flood hazards can certainly contribute to a potential diminution in resale value of property. When one considers that a home is often the greatest single asset that many families own, this is an issue of great consequence. In deciding where to establish a home for one's family, safety issues are paramount, as well as maintaining the value of investment. It is an issue that can obviously deter potential new residents from selecting Blenheim as their home. These are issues of great consequence to "socioeconomic impacts", and the NYPA study has failed to deal with them at all.

### **First Responder Organizations**

This study also attempts to present a positive spin regarding NYPA's relationship to our local First Responder Organizations (FRO). The table on pages 37 and 58 presents data from 2009 to 2013. It would be preferable to include data from 1969 to present, which would show, as an annual average, how very meager the contributions have been to the local volunteer organizations that respond to emergencies at the project.

### **Economic Impacts**

Certainly the tax impacts and the safety impacts have a negative effect on our community's ability to attract businesses, as aforesaid.

Beyond that, some of the positive impacts that the study tries to project seem highly questionable.

In the tables indicating employment data, several zipcodes of employees are listed. The principal zipcode for Blenheim residents ( 12131 ) is not included; presumably this means that there is not even a single NYPA employee residing in our main zipcode area. This strange anomaly deserves clarification.

Furthermore, it is curious that the NYPA study projects a robust growth in jobs through 2060. However, they give no indication of the basis for this. Does NYPA contemplate an expansion of their plant? Or perhaps adding some new component beyond pumped storage? Surely they should provide some logical basis for projecting a large increase in employees in the out years.

### **Environmental Issues**

NYPA is well aware that, by 2020 with the completion of the new Low Level Outlet and additional new features at the Gilboa Dam owned by NYCDEP, there will be Conservation Releases downstream to restore a minimum flow to Schoharie Creek, enabling new opportunities for agriculture, recreation and tourism, and ecological enhancement. If they really do want to be helpful to the community's economic and environmental quality, they will pledge to cooperate with maximizing these new benefits by ensuring that these releases continue onward downstream. It would be beneficial to address this concern in the context of the relicensure procedure. These issues will be addressed in more detail in the study of dam safety and flood mitigation.

### **Conclusion**

It is my understanding that a formal request for a Study Dispute Resolution process has been filed by other stakeholders herein, including Schoharie County. Accordingly, we in the Town of Blenheim fully endorse, support and join in that effort to ensure that the serious defects and inadequacies, and outright misrepresentations inherent in the current study proposal, be ameliorated.