

ULSTER COUNTY EXECUTIVE

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MICHAEL P. HEIN

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June 14, 2018

John Rhodes, Chair and Chief Executive Officer
New York State Department of Public Service
Empire State Plaza, Agency Building 3
Albany, NY 12223-1350

Alicia Barton, President and Chief Executive Officer
New York State Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399

Mr. Rhodes and Ms. Barton,

A few short weeks ago, I had the privilege of overseeing the completion of Ulster County Government's first utility scale solar project, designed to reduce negative fossil fuel impacts on our community. This 6-acre solar array now provides power for over 20% of our government operations and is located on a closed landfill, ensuring precious farmland and natural resources are conserved. In Ulster County, we are extremely proud of our collective environmental conscience and my administration works tirelessly to foster renewable energy initiatives. Ulster County is the only net carbon neutral County Government in the State of New York and the first to obtain 100% of its electricity from renewable resources. These and other environmental successes have earned my administration widespread recognition including within the December 2016 edition of National Geographic and the 2017 NYSDEC Environmental Excellence Award.

In stark contrast to the success of our utility scale solar project, there is a project proposed a mere 100 yards away which couldn't be more different. The Lincoln Park Project proposed by Glidepath Power Solutions LLC (Glidepath) is a 20 MW natural gas fired generation plant with diesel backup and battery storage. This project, as currently proposed, is severely flawed in that it would bind future generations to unsustainable fossil fuel infrastructure with the accompanying negative environmental impacts. This project would directly impact a residential neighborhood and there are significant concerns regarding effects to local and regional air quality as well as water resources. Further, although this plant is described by the sponsors as a peaking plant, it may in fact operate up to 14 hours a day further exacerbating the negative impacts on our community including increases in greenhouse gas emissions.

Ulster County must now contend with this fossil fuel based proposal while at the same time Governor Cuomo has made a clear and bold call for the expeditious deployment of renewable energy and battery storage technology across New York State. We fully support the Governor's initiative. Again, in stark contrast it appears that a profound and unfortunate convergence of policy and regulation has led to Ulster County becoming the unintended target for this type of fossil fuel based project. We reached this conclusion based on the following factors: the capacity zone designation, the NYS DEC Title V permitting process, and the State and Federal policies that rule out battery only and renewable projects.

Ulster County Website: www.ulstercountyny.gov



KENNETH A. CRANNELL

Deputy County Executive

MARC RIDER

Deputy County Executive

First, the subsidies created by the capacity zone designation that support the economics of this project are fundamentally unjust and should be addressed. Ulster County is located near the boundary of the upstate and downstate energy markets or what is commonly characterized as a transmission bottleneck between upstate generation and downstate consumption. In 2015, Ulster County was included in a new capacity zone along with the lower Hudson Valley and Metro NY area. The zone incentivizes increased local generation to satisfy downstate demand but comes with a steep price for Ulster County residents with increased customer utility bills and air pollution impacts. Foreseeing these types of injustices, my administration strongly contested the designation in a 2014 letter to the Federal Energy Regulatory Commission (FERC). The proposed Glidepath project is a direct response to this misguided designation. The project's economics are built upon these capacity zone incentives that Ulster County residents are now forced to pay. The sad truth is, there is absolutely no compelling need for the Glidepath project for Ulster County residents. Energy produced by the project would feed consumption in the Metro NY area while disproportionately burdening our community and impacting our residents with gas engines, hundred foot smokestacks, and air pollution impacts. It is unfair for our residents to subsidize this project with higher utility bills forced upon them by outside interests. In this regard, it should be noted that Ulster County already does more than our fair share of supporting the Metro NY area by providing 40% of New York City's drinking water while our residents endure heavy negative burdens on our economy and natural resources.

Second, the process required to permit this project encourages pollution in communities with the cleanest air. Ulster County has achieved what is referred to as air quality attainment unlike almost all other communities in the lower Hudson Valley region and the downstate capacity zone. A direct result of that achievement is that the process for Glidepath to obtain a NYS DEC Title V air permit for the emissions from their proposed 100' smokestacks becomes much easier. This disgraceful irony is not lost on us and should not be lost on those at the Department of Public Services and NYSERDA. By locating this project in Ulster County, Glidepath receives the higher capacity zone subsidies while it also pollutes our environment with greater ease.

The third factor is current NY State and NYISO policy that creates de facto rules forcing fossil fuel based projects. Barriers and requirements which eliminate battery only or renewable and battery projects from being able to fully participate in energy markets, thereby constraining their economic viability, must be changed. Current policy is severely flawed and is in stark contrast to New York State's stated environmental goals.

Ulster County is now faced with the unintended consequence of these three factors resulting in a situation where the most economically viable project must include an undesirable fuel source and is encouraged to be sited in a community with the cleanest air. The result is a lose-lose outcome for meeting future energy needs and will negatively impact our quality of life and further entrench the fossil fuel industry as well as the market for "fracked" gas.

It is also important to note the serious implications this project has on the local town government. The Town of Ulster, in this case, must weigh the economic benefit of this fossil fuel project against the environmental impact and the impact on town residents as part of the State Environmental Quality Review Act (SEQRA) process before final project approval. While this is a local land use decision, for which I have great respect, the current proposal is based on flawed State and Federal policies which are a County issue and create an untenable choice or a false dilemma for the Town. As someone who has found pathways to lower taxes, I know the truth is that if other options were available (such as battery only or battery in conjunction with renewable technology) which would eliminate the elements of greatest environmental concern while retaining economic development benefits, the community may well move to embrace them.


Recently, the Governor issued a visionary call for New York State to develop 1,500 MW of energy storage by 2025 and called for the investment of \$200 million from the NY Green Bank and \$60 million from NYSERDA to support this goal. In keeping with this initiative, we are calling on the Department of Public Services and NYSERDA, working together with other organizations such as FERC and NYISO, to expeditiously restructure the economic incentives and policy framework to make non-fossil fuel storage and generation projects a reality for communities like Ulster County. The technology for renewable generation with

battery back-up exists right now which means this project can and must be altered. It should be noted that 100% of Glidepath's existing 300 MW portfolio of projects across the nation are battery and/or renewables; they are obviously experienced in this technology and able to develop this type of project if the policy and economic conditions allow. As such, I am urging the Department of Public Services and NYSERDA to do everything in its collective power to suspend this project immediately until policy can be addressed and a non-fossil fuel alternative policy developed such as battery only or battery in conjunction with renewable technology. I firmly believe that both the Department of Public Service and NYSERDA can proudly play a pivotal role to fundamentally change the options available and provide the community and the project sponsor with a way out of this dilemma and, in the process, protect our residents and environment for generations to come.

In Ulster County, we believe that what strengthens our environment also strengthens our community and our economy and by hosting the best and most advanced renewable energy and storage projects, we can do just that. Renewable energy and storage technology are here and their time is now. Fossil fuel required projects should no longer be unjustly advantaged through misguided policy and regulation when sustainable alternatives exist. Our Governor has been clear in leading this new vision and we respectfully request that you act expeditiously to amend any and all policies which encumber this critical, logical and sustainable progress. Furthermore, we ask that you bring to bear any intervention necessary to require and incentivize a non-fossil fuel alternative.

We truly appreciate your attention to this very important matter and thank you in advance for your thoughtful review. Kindly advise at your earliest convenience as this is an area of grave concern in our County.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike Hein', with a stylized flourish extending to the right.

Mike Hein
County Executive

cc: Anton Porter, FERC
Brad Jones, NYISO
Basil Seggos, NYSDEC
Peter Rood, Glidepath Power Solutions
Kenneth Ronk, Ulster County Legislature
James Quigley III, Town of Ulster
Jim Maloney, Ulster County Legislature
Mary Wawro, Ulster County Legislature
Tracey Bartels, Ulster County Legislature
Manna Jo Greene, Ulster County Legislature