



**Department of
Public Service**

Public Service Commission

Audrey Zibelman

Chair

Patricia L. Acampora

Gregg C. Sayre

Diane X. Burman

Commissioners

Kimberly A. Harriman

General Counsel

Kathleen H. Burgess

Secretary

Three Empire State Plaza, Albany, NY 12223-1350
www.dps.ny.gov

Mr. Neil Habig
Project Developer
Hudson Energy Development
Executive Woods, 5 Palisades Drive, Suite 300
Albany, NY 12205
nhabig@hudsonenergydev.com

Date: July 15, 2015

Re: Case 15-F-0327 – Application of Hudson Energy Development for a Certificate of Environmental Compatibility and Public Need Pursuant to Article 10 to Construct a 103 MW Wind Energy Project (Galoo Island Wind Project).

Dear Mr. Habig:

This letter is to inform you that Staff of the New York State Department of Public Service (“DPS Staff”) has reviewed the proposed Public Involvement Program plan (“PIP Plan”) for the proposed Hudson Energy’s Galoo Island Wind Project (“Hudson Energy” or the “Applicant”) on June 16, 2015, and finds it to be inadequate in several areas.

In an effort to guide and assist you in preparing an adequate PIP Plan, DPS Staff has prepared some specific recommendations, which are outlined in the following pages. DPS Staff believes that the application process will be streamlined if the Applicant develops a thorough PIP Plan that includes outreach to potentially affected stakeholders early in the process to effectively obtain preliminary input that will guide development of the scope of studies for the application.

Pursuant to 16 NYCRR §1000.4(e), Hudson Energy “shall within 30 days consider the measures recommended by DPS Staff and, in a final written Public Involvement Program plan filed with the Secretary, shall as to each specific measure either revise the Public Involvement

Program plan to incorporate the DPS Staff recommendation, or provide a written explanation as to why it decided not to incorporate the recommendation.”

If you have any questions or need additional information regarding the attached DPS Staff recommendations, please contact me at (518) 474-1788 or by e-mail at lorna.gillings@dps.ny.gov.

Sincerely,

/s/

Lorna Gillings
Consumer Advocacy and Education
Office of Consumer Services

Staff Comments:

Section 1.0 Introduction

1. The definition of “the Project” includes the 102.3 MW wind powered electric generating facility and transmission line (pg. 1), it should only refer to generation. In Section 2.2, terminology should be refined to distinguish between the generating and transmission components, which are subject to different regulatory programs, as noted.
2. The Project definition indicates that the Project location, including the transmission line, is “to be located in the Town of Hounsfield, Jefferson County, New York.” However, since the “Project” has been defined as consisting of both the Article 10 and Article VII components, the PIP Introduction should clarify that the project location – includes- the municipalities that the proposed transmission line would traverse, including the City of Oswego, Oswego County. The project also would occupy NYS-owned lands underwater in Lake Ontario. Any modifications to the transmission facility location should be carefully reviewed in terms of the full extent of municipal boundaries and jurisdictional areas, including those areas within Lake Ontario.
3. NY DEC should be defined as “New York State Department of Environmental Conservation.”

Section 2.0 Project Description

Section 2.1 Company Profile

1. The Applicant identifies itself as “HNCW” or “Hudson”. Staff recommends the identification of only one acronym or Company name throughout the PIP for consistency. This includes any legends used on maps and tables.
2. The Applicant describes the “development and construction of more than 1,000 MW of wind generating facilities.” The Applicant needs to be more specific in its description, i.e. did this mean to indicate that the Company has built facilities with more than 1,000 MW of wind generation or has built “x” number of 1,000 MW facilities?

Section 2.2 Project Summary and 2.3 Study Area

1. Staff encourages integration of Article VII facilities in the PIP plan and recommends that this integration should include, and not be limited to, consideration of the areas in the vicinity of the Article VII transmission line landfalls and its electric system interconnection. However, as noted above, there needs to be better distinction when discussing the project as a whole (Article 10 and Article VII together) versus each component part. Staff recommends that the PIP plan clearly distinguish “Article 10 Wind Farm” or similar components from “Article VII Transmission Line” components consistently throughout the PIP plan. In addition, the entire proposal should have a more descriptive name (like Galloo Island Wind Power Project or GIWPP) since this generic terminology of “project” makes it difficult to determine which portion of the Applicant’s proposal is being discussed. For example, in the second sentence of the first paragraph,

the term “Project components” is used but the description only includes the Article 10 components and location and not the transmission facility components or location. Also, the term “WTG” used to describe the components of the wind farm should be defined.

2. The draft PIP plan indicates that the study area is 5 miles around the Wind Project Area (pg. 2). Staff notes that the Article 10 regulations state:

“For large facilities or wind power facilities with components spread across a rural landscape, the study area shall generally include the area within a radius of **at least five miles** (emphasis added) from all generating facility components, interconnections and related facilities and alternative location sites. For facilities in areas of significant resource concerns, the size of a study area shall be configured to address specific features or resource issues. (16 NYCRR 1000.2(ar)).”

Staff further notes that “related facilities” are defined as “interconnections, all offsite ancillary facilities, and all onsite and offsite ancillary equipment, including mobile or movable equipment, associated with the Major Electric Generating Facility” (16 NYCRR 1000.2(aj)).

While “ancillary equipment” is not specifically defined, 16 NYCRR 1001.3(1) requires showings of “ancillary features located on the facility site such as roads, railroads, switchyards, fuel or energy storage or regulation facilities, solid waste disposal areas, waste treatment and disposal facilities, and similar facilities”; and 1001.3(3) requires showings of “the location of all proposed ancillary features not located on the facility site such as roads, railroads, switchyards, fuel or energy storage or regulation facilities, solid waste disposal areas, waste treatment and disposal facilities, and similar facilities, that are not subject to the Board’s jurisdiction under PSL Article 10”.

Staff advises that, given the geographically isolated location of the Article 10 Wind Farm site on Galloo Island, several miles from mainland locations, some consideration of ancillary features, including new or existing support facilities for watercraft or aircraft dedicated to project supply, support, or personnel transport, related harbor locations and airport/heliport locations that may be utilized for supply, support, storage, or regular transit or transport to the Galloo Island Wind Farm site should be identified early in the Project planning and Public Involvement process. On-shore facilities to be used regularly for, or developed to, support the function of the Wind Farm and the site should be identified as within the Project Area.

Given the location of the Wind Farm site, and the distance to mainland areas that may be affected by the Article 10 facilities (e.g., visual impacts at receptor locations greater than 5 miles from the site, as noted in the Environmental Impact Statement (EIS) for the Hounsfield Wind Farm (HWF) previously proposed for Galloo Island), Staff advises that the appropriate Study Area to be considered for the Galloo Island Wind Farm is greater than the five mile distance specified in the preliminary PIP Plan. Staff notes that for the visual impact analysis of the prior Hounsfield Wind Farm, the study area was extended to include many coastal areas within the northeastern Lake Ontario shoreline, and upland

areas with relatively open vistas toward the Galloo Island area: the view shed area extended out to 15 miles and line-of-sight assessments also extended beyond the minimum 5-mile study area. Given the potentially larger scale of wind turbines proposed for the Galloo Island Wind Farm than any prior project considered for this site, DPS advises that the study area for visual assessments should be extended, *at a minimum*, to the range of distances used in the HWF EIS. The appropriate study area for some other topical studies such as transportation effects, waterborne recreation and, for the analysis of consistency with NYS coastal policy, should also be extended beyond five miles. Other topical studies, which are specifically centered on the island or the island and immediate surroundings, may not require expansion of the area of potential effects. Staff is willing to discuss this topic further with the developers to identify appropriate Study Area parameters.

3. The Article 10 requirements (PSL §168.2) include consideration of the cumulative environmental impacts of related facilities, so the nature of impacts of the proposed transmission line subject to PSL Article VII would need to be described in the Article 10 proceeding. The applicant should consider whether the application and review process for an Article VII transmission line would be coordinated with the Article 10 application. Furthermore, DPS encourages public involvement opportunities in Article VII project development, and hereby recommends that HNCW identify a strategy and PIP Plan that addresses the overall project including all components, including those that are not subject to Article 10 jurisdiction.
4. The Article VII regulations call for consideration of resources within a three-mile distance of the location of a proposed major transmission facility (16 NYCRR 86.3(a)(1)(iii)) rather than the 0.5 miles identified in the draft PIP (pg.2). Staff advises that the applicant may request consideration of a smaller study area, pursuant to regulatory waiver provisions of the Public Service Law, however Staff cautions that the degree of study needed to justify a limited corridor width for the nearly wholly underwater facility location proposed within Lake Ontario may be substantial. If the developer's intent is to perform underwater testing and studies, including benthic and sediment surveys, as well as side-scan sonar and magnetometer evaluations of underwater lakebed conditions, then identification of a limited-width study corridor based on satisfactory results of such studies, supported by data and analysis justifying such a request, may be appropriate. Staff invites the developer to further discuss this topic early in its project planning phase.
5. The Article VII process should address the entire proposed electric transmission facilities, including the on-island and on-mainland locations. Cumulative impact assessment of the overall Project should include consideration of related facilities and ancillary equipment and facilities. Locations of all facilities should be considered in developing the final Public Involvement Program plan, and the Plan should be tailored to provide appropriate outreach and engagement with potentially affected municipalities and stakeholders. Towards that end, the fourth paragraph of this section indicates that the Applicant has "agreed to include the host municipalities as stakeholders in the Article 10 process." For clarity, does this statement refer to defining municipalities under Article VII as "host"

municipalities in the context of this PIP? If so, the stakeholder lists needs to be updated to include this designation. Also note, Oswego, NY should be defined as the City, Town or county of Oswego.

6. Lastly, Staff recommends moving the paragraph beginning with “The Applicant expects that this project will result in the creation of up to 8 full time employees...” to Section 2.5 under the discussion of the project benefits. Also, the word jobs should replace employees in the sentence noted above.

Section 2.4 Comparison to Previous Galloo Island Wind Farm Proposal

1. Staff advises the Applicant to define “GIWF” as it is used various times in the paragraph.
2. Staff recommends that more information regarding the underground portion of the Article VII component be included in the project summary. This comparison to an overhead infrastructure is the first mention of an underground interconnection in the PIP plan.

Section 2.5 Project Purpose, Need and Benefit

1. The PIP plan should be updated to note the recently-adopted 2015 State Energy Plan.

Section 3.0 Identification of Stakeholders

1. As noted in comments above, the Article 10 facility study area should be expanded, and adjacent municipalities should be identified within the expanded study area, such as the “interested and involved agencies to the [previous HWF project] SEQRA proceedings” and the “public comments received during the [previous HWF project] SEQRA process” as listed on the draft PIP plan at page 7.
2. Sections 3.3, 3.4 and 3.8 specify that they are referring to Article 10 or Article VII. However, the remaining sections do not. Does that indicate that the other sections relate to the project as a whole?
3. Also, “State and federal elected officials representing the Host Municipalities” should be identified.
4. As noted in comments above, locations of any related or ancillary facilities, equipment or support infrastructure that will be used or developed to support the construction or ongoing operation of the proposed generating facilities should be considered in identifying host and stakeholder communities.
5. Exhibit 4 should also be reviewed and expanded to address the wider study area appropriate to the proposed generating facilities and the potential for related and ancillary features and equipment at remote locations.

Section 3.1 Affected State and Federal Agencies

1. Staff advises that the NYS Department of State, Office of Planning and Development, has requested early consultation regarding this project proposal and the project's coastal policy considerations including potential conflicts with the achievement of the goals enacted in Article 42 of the NYS Executive Law.
2. Consider contacting the US Department of Transportation - St. Lawrence Seaway Development Corporation regarding use of the Seaway for transport of oversized components to the Generating Project Site, and any applicable control measures for Great Lakes-St. Lawrence River invasive species management.

Contact information:

U.S. Department Of Transportation
Saint Lawrence Seaway Development Corporation
1200 New Jersey Avenue, SE
Washington, DC 20590
855-368-4200

Section 3.2 Local Agencies

1. All municipal officials of an expanded study area as recommended by Staff (i.e. Mayor, City of Oswego; Supervisor, Town of Hounsfield, etc.) should be moved to the appropriate sections regarding host and adjacent municipalities.

Section 3.3 Host Municipalities for Article 10

1. Host municipalities for the Article 10 generating facilities should also note "Jefferson County".

Section 3.4 Adjacent Municipalities and School Districts

1. As noted in comments above, the Article 10 Wind Farm Generating project area should be expanded to include additional municipalities and mainland areas. As indicated in the attached figure "Galloo Island Wind Farm", even within the five mile area identified in the preliminary PIP Plan, there are areas of Lake Ontario within municipal-town boundaries of two additional towns not identified by the developer. While there are no upland areas in other municipalities within the 5 mile area, the official boundaries of the Town of Hounsfield, the Town of Henderson and the Town of Lyme fall within 5 miles of the perimeter of the proposed Galloo Island Wind Farm, all within Jefferson County.
2. DPS Staff recommends that the Project Area should be expanded to include additional municipalities. At a minimum, the list of adjacent municipalities should include those noted in Section 3.5 (Towns of Cape Vincent, Lyme, and Henderson; and the Villages of Chaumont and Sackets Harbor) and the Towns of Brownville and Ellisburg. The list of

adjacent municipalities should be revised upon final revision of the project study area, per discussion in comments above.

Section 3.8 Additional Stakeholders for Article VII Facilities

1. As discussed above, the Article VII regulations specify a wider service and study area than the 0.5 miles area described in the draft PIP Plan. Depending on the proposed location of the planned transmission cables, any municipality, including off-shore areas within the extent of actual municipal boundaries as discussed above, that falls within the distances specified by the regulations should be included in the stakeholder list. If the route as tentatively mapped in the draft PIP plan is the proposed location, the Town of Oswego should be included as a stakeholder.
2. DPS notes that the Project Area electric transmission line includes locations within one mile of public water supply – surface water withdrawal location that is part of the City of Oswego water system. Outreach to the City should include inquiry as to the interest of protecting public water supply operations and water quality during in-Lake transmission cable installation.
3. Further, the City of Oswego should be contacted to review current planning and development proposals that may be affected by, or influence, the proposed location of the transmission cable at underwater and upland locations; and to review provisions of local laws and regulations that may apply to the proposed use, design and installation of transmission cable and system interconnection. In addition, the applicant should request that the City advise Staff about provisions of the City's Local Waterfront Revitalization Program that may pertain to the proposed facilities.
4. The landowners of the proposed landfalls and upland facility locations, as well as any access route to the interconnection location, should be identified and included.
5. SHPO (Fort Oswego/Ontario)
6. SUNY Oswego (<3miles from Art. VII landfall).

Section 3.9/4.0

1. Given Staff's recommendation to expand the study areas for the Article 10 and Article VII components of the project, the Applicant should determine if any environmental justice communities lie within the new boundaries. Similarly, the examination of languages spoken other than English needs to be updated to identify potential translation needs.

Section 5 Proposed Public Involvement Program

Section 5.1 PIP Contact Point and Information Access

1. Staff advises that a local repository be established in Oswego as well.

Section 5.2 Consultation with the Affected Agencies and Stakeholders

1. Staff advises that in addition to the general goals of consultations identified in the draft PIP plan, any potential upland improvements needed to support project development, construction or operation should be acknowledged and identified, such as any harbor or marina improvements or support facilities, watercraft or aircraft dedicated to project supply, support, or personnel transport, and airport/heliport locations that may be utilized for supply, support, storage, or regular transit or transport to the Galloo Island Wind Farm site.

Section 5.4.1 Public Meetings

1. The Applicant states it intends to hold an open house style meeting in July and it will advertise the meeting on its project website; however, the website will not be fully functionally at this time. Staff requests additional information as to how the Applicant will notify the public of the July 2015 open house style meeting.

Section 5.5 Website

1. The Applicant indicates the project website will include an email address but it is unclear whether this is strictly a means to contact the Applicant or whether it can/will be used to gather public comment.
2. The PIP plan indicates that the website will have a methodology for responding to comments. Will it also include a methodology for accepting comments electronically or is that handled by the e-mail address noted above?

Section 5.7 Activities to Encourage Stakeholder Participation

1. The Applicant states it will “develop a newsletter to be distributed quarterly...” but it is unclear to Staff how the newsletter will be distributed - either via mail or email or both.
2. To the extent possible, this section should include a schedule indicating project milestones and any planned/proposed activities associated with those milestones.

Section 6 Required Airport/Helicopter Pre-Application Consultation

1. “National Telecommunications and Administration (NTIA)” should include “Information” prior to Administration.

Exhibits

Exhibits 1, 2 & 3 – Project Area Maps

1. In general, the maps included in the exhibits lacked clarity and definition. DPS Staff recommends that the Applicant modify Exhibit 1: Article 10 Wind Project Area map to indicate municipal boundary lines (the dashed line between Stony Island and Stony Point indicates in part the boundary of the Town of Hounsfield and the Town of Henderson. Further, the location of Wehle State Park along the coastline of Henderson at Stony Point should be indicated.

2. Exhibit 2: Article VII Transmission Line Area map should be modified to indicate municipal (town and city) and county boundary locations, including within open water areas.
3. Exhibit 3: Article 10 Wind Project Study Area map should be modified to provide an expanded study area based on comments above and further consultation with DPS and other stakeholders as appropriate. Municipal and county boundaries should be indicated also.

Exhibit 4 - Master List of Stakeholders

1. Revise the Master List to include additional contacts and stakeholders as noted in DPS comments above.
2. Joe Martens is no longer the Commissioner of the NYS DEC. Marc Gerstmann is currently the acting DEC Commissioner and should be identified as contact until further notice.
3. The contact at the US ACOE is misspelled (Steven Metivier).
4. Each of following organizations should be included in the list (and under section 3.2 or 3.7. Each has a stake in development that has the potential to affect land and water uses and natural resources in and around the waters of Lake Ontario and the St. Lawrence River::
 - a. The International Joint Commission (IJC) as the international treaty organization with Canada for issues related to navigation and use of surface waters in the St. Lawrence Seaway that surround Galloo Island, the mouth of the St. Lawrence River and its environs.
 - b. The New York Sea Grant (a program of the National Oceanic and Atmospheric Administration) that provides education, communication and legal assistance to local communities regarding responsible use of Great Lakes resources.
 - c. The Great Lakes Fishery Commission for providing bi-national stewardship to improve and sustain the fisheries of the Great Lakes.

Exhibit 6 – Potential Environmental Justice Areas

1. Staff recommends maps with enhanced picture quality. The information in the map is hard to identify and distinguish due to the poor quality of the map.

Exhibit 8 – Agency/Municipal Consultations

1. The list of Agencies and Municipalities should be expanded to identify the appropriate contacts for an expanded project study area, as discussed in comments above.
2. The identified “Goals of Consultation” for specific stakeholders should be revised to note comments and specific topics identified in DPS comments above.

3. NYS OPRHP Historic Resources Bureau consultation should also include consideration of underwater archeological resources and areas of concern for the proposed transmission cable within Lake Ontario, a likely area of concern to that agency.
4. The NYS Department of State office of Planning and Development is the title of the bureau with interest in consultation regarding the project. Early consultation has been requested by the staff of that Office.
5. The list should include the New York State Office of General Services, Land Management Bureau, for consideration of land rights and the use of underwater lands for the Project.

