

ENVIRONMENTAL, LAND USE AND REAL ESTATE LAW

12 April 2021

Kimberly D. Bose, Secretary Federal Energy Reserve Commission 888 First Street, NE Washington, DC 20426

Re: Premium Energy Holdings' First Amendment for Preliminary Permit for the Ashokan Pumped Storage Project, FERC Project No. P-15056

Subj: Comments on Behalf of the Town of Hunter

Dear Secretary Bose:

Part 1. Introduction

Grant & Lyons, LLP is submitting the following comments on behalf of the Town of Hunter. The current proposal for a preliminary permit from Premium Energy Holdings, LLC ("the Applicant") involves a proposed upper reservoir option at Stony Clove Reservoir. This alternative is located at the base of Hunter Mountain, along State Route 214 and Lanesville, a hamlet of Hunter.

Part 2. Summary

The Town of Hunter is opposed to this project in the strongest possible terms, and urges a denial of the permit sought.

The Town of Hunter supports renewable energy, but not at any price. And certainly not at the price that will be paid for this project if it were to be built.

The proposed site of this project is spectacularly inappropriate and unsuitable. In exchange for a *de minimis* and dubious environmental benefit, this project will severely and permanently damage the Catskill Park and its Forest Preserve, one of the most highly valued, protected & preserved sites in all of New York State. Drowning an entire community in Lanesville, damaging state protected lands, adversely affecting drinking water supplies and surface water quality, damaging the economy of Hunter and other Catskill towns, and threatening a host of other adverse environmental impacts is too high a price to pay for whatever tiny benefit this project may bring. For anyone who lives in the Catskill Park, or who knows and enjoys the Park, this is obvious.

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Besides threatening environmental harm, this project also threatens the economic life blood of Hunter and the Catskills communities, communities who have relied upon tourism as their economic engines literally for hundreds of years. In the Catskills, environmental protection and economic health are symbiotic. The health of the environment is directly connected to the health of economies. This project strikes serious blows to both.

And the impact of the obliteration and erasure of the entire hamlet of Lanesville in Hunter cannot be overstated. The callousness of proposing this in a mountaintop community, where the memories of the destruction of Ashokan are still vivid and continue to be remembered, written about, and sung about, is shocking.

Besides all these negatives, there are legal obstacles as well. The lands which the Applicant seeks to use for this project are unattainable due to immovable protections of state law that are exempt from federal eminent domain authority. Granting this permit and forcing all the stakeholders to continue to expend blood and treasure to participate in this review process will perpetrate a tremendous injustice.

A continued review of this project will also spawn a long string of dispute resolution and litigation. The opposition to this project isn't NIMBY-ism. Instead, the project is so ill-conceived that it has drawn vigorous opposition from just about every imaginable quarter. This project is opposed by the Towns of Hunter, Woodstock and Olive, by Greene County, by New York City, and by a myriad environmental organizations and concerned citizens. The good sense of the collective judgment of this broad coalition should be respected.

This project is proposed on a site which may easily be the worst possible site for a project of this kind. It is the wrong place for this. It will do more harm than good. The time to stop this insanity is now. The permit application should be denied.

Part 3. The Adverse Impacts this Project will bring to the Town of Hunter.

3.1. <u>The Town of Hunter is not an appropriate location for an upper reservoir.</u>

The Town of Hunter is a rural mountain community, located in Greene County in New York State. Located within the Town of Hunter are the Villages of Hunter and Tannersvile, and the hamlet of Lanesville, where this project proposes to locate the Stony Clove upper reservoir.

The Town of Hunter is located in the heart of the Catskill Mountains and within the Catskill Park. Many of the Catskills High Peaks, including Hunter Mountain, are located in the Town. Hunter's economy is overwhelmingly a tourist economy. Its centerpiece is Hunter Ski Mountain which draws skiers in Winter, and visitors throughout the Spring, Summer and Fall by hosting a variety of activities, events and festivals over the course of those seasons.

In terms of community character, the Town of Hunter is renowned for its scenic vistas and viewsheds, its rugged mountaintop rural character and for its proximity to the nearby state



Forest Preserve lands and all of the wildlife, habitat, natural resources and striking topography that those lands feature. The abundance of outdoor recreational activities and opportunities that can be found in Hunter, including hiking, skiing, camping, hunting, fishing, and sightseeing make the Town a true tourist destination.¹

The Town opposes the proposed project in the strongest possible terms, and advocates for a denial of the permit sought by the Applicant. As is demonstrated in the discussion below, the proposed project could not be more ill-suited for the setting in which it is proposed. If the Stony Clove reservoir were ever to be built, its fatal impact on the small Hunter hamlet of Lanesville and its residents will be a human tragedy that will add another chapter to the already painful history of the decimation of Catskills towns for the construction of reservoirs.

3.2. The decimation of Lanesville and the displacement of its residents.

The hamlet of Lanesville in Hunter, which runs along Route 214, is the home to residential homes and small businesses which are nestled in the valley along its route. The Stony Clove Creek runs generally alongside Route 214 in the floor of the valley. The Lanesville community is almost exclusively residential surrounded on both sides by mountains and state Forest Preserve forest and wilderness lands.



Figure 1. Property class map of the Town of Hunter. The yellow coloring shows residential properties, and the green coloring shows forest and wild lands. Town of Hunter Comprehensive Plan, May 2019, page 81.

¹ Town of Hunter Town Comprehensive Plan, May 2019, page 13.



The Proposed Stony Clove upper reservoir would flood this community, destroy its homes, erase its existence and displace and disperse its residents. That this project may be the death of community should be reason enough to reject this proposal from any further consideration, and certainly a blindingly obvious adverse impact that cannot be ignored.



Figure 2. Aerial map taken from Greene County Real Property Tax Services outlining all the residential lots along Route 214 where the Stony Clove Reservoir is proposed.

Unfortunately, this is a familiar tragedy in the Catskill Park that no one wants to see repeated, particularly to facilitate the *de minimis* benefit to be allegedly provided by the proposed plant, as such pump storage projects actually require more energy to operate than they produce and store. Your agency has already received numerous public comments which harken back to the tragic history of the Ashokan Reservoir, slated to be the lower reservoir in this project. Its creation in 1906-1915 also destroyed and erased a local community, and left enough tragedy and devastation in its wake that it is still remembered and mourned today in that community.

Given that history, it is truly astounding and horrifying that a repeat of that tragedy is newly proposed today, just miles away. And yet, the application treats the flooding with a figurative shrug of the shoulders, failing to mention the harm and devastation that would be cast upon residents where the proposed upper reservoirs would be located. This callous disregard for the lives, livelihoods and homes that would be destroyed for an alleged "environmental benefit" that seems be both marginal and dubious should not be facilitated by the granting of a permit in this case.

The Town of Hunter will not stand by idly as residents are threatened to be displaced from their homes. This project must be denied. This is unacceptable and unethical to even contemplated asking a community to displace its residents for the benefit of a for-profit out-of-state company.

3.3 Route 214 is a vital lifeline to the Town of Hunter and its tourism.

Aside from erasing the Lanesville community, this proposal also threatens the existence of Route 214. Because of the mountainous terrain in the area where the project is proposed, the



topography necessarily limits where roads can be located. Route 214, which runs along a valley, serves a vital accessway to the Town of Hunter from points south. It serves as a north-south connector road between Route 23A, the major road and thoroughfare in the Town of Hunter and Route 28 to the south, another major Catskills access road.

3.3.1. Route 214, and the access it provides, may be lost forever.

Since the Stony Clove reservoir is proposed to be located directly on top of Route 214, the Route will have to be either relocated or simply removed. And relocation is hardly a possibility.

The lands which will lie all around the proposed Stony Clove reservoir are state Forest Preserve lands. As is explained later in this letter, those Forest Preserve lands are protected and cannot be altered for this, or any, development. Thus, relocation of the road may not be a practical possibility.

The Applicant is nonchalant in suggesting speculatively that Route 214 could be rerouted. However, as the surrounding lands include part of this forever wild forest preserve, it is not clear that such a rerouting would be feasible. In order for the State to construct such a highway through the forest preserve would require an amendment to the New York State Constitution.² Hence, it is highly unlikely that Route 214 could be relocated.

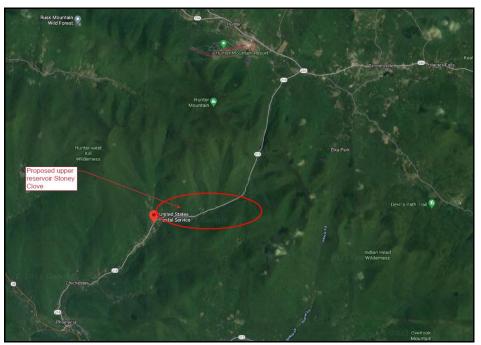


Figure 3. Aerial Map showing connection of Route 214 between Route 28 towards the south and Route 23A in the north.

² New York State Constitution, Article XIV.



The removal of Route 214 as an accessway to Hunter will have devastating consequences for the Town. Route 214 is a popular means of getting to Hunter and Hunter Mountain. Hunter relies heavily on tourist dollars, particularly from Hunter Mountain. The facts and figures found in the comment submitted by the Greene County Department of Economic Development, Tourism & Planning, dated April 4, 2021 and received on April 9, 2021, shows the importance of tourism to both Greene County and Hunter³. Just like Greene County, Hunter is very dependent on tourism revenue. Termination of this accessway will make access to Hunter more difficult, and damage its tourist economy. For example, those skiers who may normally use Route 214 to get to Hunter may take their business and tourist dollars instead to the Bellayre Ski Mountain off Route 28 if Route 214 is not available as a means of reaching Hunter Mountain.

3.3.2. Loss of Access to Devils Tombstone Campground.

Route 214 also provides access to areas such as Devils Tombstone State Campgrounds. This famous campground in the Stony Clove is one of the oldest campgrounds in New York State and dates back to 1926.⁴ If the proposed Stony Clove Reservoir is constructed, this recreational area may be destroyed or abandoned.

3.3.3. Destruction of a designated scenic by-way.

Route 214 is also a community asset in and of itself. It is a route of extraordinary beauty and is a designated scenic byway and part of the Mountain Cloves Scenic Byway.⁵ This is another great resource to the Town of Hunter and surrounding communities that will be lost at the expense of private developers who clearly have no knowledge of the actual communities they propose to impact.

The Mountain Cloves Scenic Byway is a 41-mile state designated byways that provides a unique and glorious travel route within the Catskill Mountains.⁶ The byway, which connects three cloves, including Stony Clove, are linked in a continuous loop.⁷ It is described in our Town's Comprehensive Plan in the following manner:

The Mountain Cloves Scenic Byway offers natural tranquility and diverse recreational and cultural offerings in and around the Town of Hunter and a deeper awareness of the history and diverse attractions of the region to promote place-based economic development. The steering committee that developed the

³ Comments of the Greene County Department of Economic Development, Tourism & Planning, dated 04 April 2021, on Premium Energy Holdings LLC, Project No. 15056-000, at page 3-4.

⁴ *Devil's Tombstone*, New York State Conservationist, June 2004, at 10.

⁵ Town of Hunter Town Comprehensive Plan, May 2019, page 124.

⁶ Town of Hunter Town Comprehensive Plan, May 2019, page 129.



Corridor Management Plan for designation evolved to become the management entity for the byway. Mountain Cloves Scenic Byway incorporated in 2014 and is now managed by a twelve-member board.⁸

The loss of Route 214 will be compounded by the disruption of this Scenic Byway.

3.4. This Project is antithetical to Hunter's Town Comprehensive Plan.

This proposed project is not in keeping with the Town's comprehensive plan, and severely conflicts with the vision Hunter has for its development. In adopting a Comprehensive Plan, the Town of Hunter has provided a statement as to how it seeks to grow and develop as a community. The proposed project with the Stony Clove Reservoir is the antithesis to Hunter's vision and plan for its own future.

A lot of care and thought has gone into Hunter's formulation of its vision for its future, which it describes as follows:

A vibrant, welcoming, and diverse community. Our small town sense of community will be based on the many unique characteristics and opportunities that contribute to a high quality of life in Hunter - the passion of the people for this special place, the beautiful mountaintop setting, our pristine natural environment, outdoor recreational resources, and the many arts and cultural traditions here. We strategically nurture commercial and residential growth in a way that balances development with protection of those very resources that are the heart of our community. The Town enacts policies and programs to support affordable residential living, a readily available and skilled workforce, modern infrastructure, trails and pathways, tourist amenities, and excellent arts, culture, recreation and educational opportunities. As a result, our economy will be diverse and thriving, supporting a broad range of viable businesses. Our community will remain involved and active and be compassionate to others. These wonderful accomplishments make Hunter a very desirable town for future generations.⁹

The concept of home rule for local municipalities is alive and well in New York State and is baked into state law and policy. Communities in New York are given wide latitude to determine their plans, paths and futures. The construction of an upper reservoir in Stony Clove will damage the Town of Hunter, perpetrating harm to its environment, its human community, and its own plan for its future.

⁸ Id.

⁹ Town of Hunter Town Comprehensive Plan, May 2019, page 16.



3.5. Lack of Notice to Hunter.

The Town of Hunter also shares in Greene County Department of Economic Development Tourism and Planning's comment in expressing frustrations that both Greene County and the Town of Hunter have received no notice from the Applicant.¹⁰

The Town of Hunter, despite having an alternative upper reservoir location proposed within its boundaries, has never been notified by the Applicant of this proposed project or this review. Hunter it not listed in the first amendment of the application as one of the town's in which the project will be located, despite the fact that the Stony Clove upper reservoir alternative is proposed to lie within Hunter.

Although Town officials were fortunate to learn of the existence of this proposal on the grapevine, it is alarming and disturbing that the application is so lax as to fail to include all of the communities in which the project is located.

Hunter urges a denial of the permit sought, but in the event this review continues, we ask that the applicant be instructed to include Hunter on the application and provide to Hunter all information and documents which are being furnished by the Applicant to the Towns of Olive and Woodstock.

An applicant that cannot notify a Town that it seeks its development project in clearly has not shown any interest or respect to this municipality or its residents. The Town of Hunter strongly objects to this proposal and it should be denied immediately.

Part 4: The Adverse Impacts this Project will bring to the Catskill Park

The Catskill Park is the worst possible location for this project.

The siting of this project in the heart of New York State's Catskill Park boggles the mind. If one understands how the Catskill Park came to life and how thoroughly protected its Forest Preserve lands are, it would never be proposed for location in the Park.

The Catskill Forest Preserve was created on 15 May 1885. The Catskill Park was created in 1904 and encompassed 576,120 acres, which included 92,708 acres of State-owned Forest Preserve lands. Today, the Park has grown to encompass approximately 700,000 acres. Forest Preserve lands within the Catskill Park have grown to over 287,000 acres.¹¹

¹⁰ Comments of the Greene County Department of Economic Development, Tourism & Planning, dated 04 April 2021, on Premium Energy Holdings LLC, Project No. 15056-000, at page1.

¹¹ <u>New York's Forest Preserve</u>, *New York State Department of Environmental Conservation*, https://www.dec.ny.gov/lands/4960.html.



Protected as "forever wild" by Article XIV of the New York State Constitution, New York's Forest Preserve lands range from remote back-country to DEC-operated campgrounds, and have exceptional scenic, recreational, and ecological value. Rugged mountain peaks, remote lakes and ponds, millions of acres of unfragmented forests, and nearly 2,000 miles of trails provide ample opportunity for many types of recreation while providing a variety of habitats for plants and wildlife. Striking a balance between recreational use and resource protection in the Forest Preserve is achieved through a park-wide land classification system and individual unit management plans.¹²

Along with the lands within the State's Adirondack Park, the lands within the Catskill Park are the most highly valued and best protected lands in all of New York State.

This degree of protection is extraordinary, almost unique.

On 19 September 2017, speaking at an educational forum on the state Constitution which was held as part of the state's Constitutional Convention, forum panelist John F. Sheehan, then Director of Communications for the Adirondack Council spoke about the history of the Forever Wild Act and outlined the unique environmental protections in the State Constitution. Article XIV of the Constitution guarantees the conservation of our state's natural resources including 3 million acres of forest preserves and protects natural resources such as our state's reservoirs. Of the Constitution's "Forever Wild" environmental protections, which apply to New York's forest preserve lands, Mr. Sheehan said:

It stands now as the strongest forest protection law on earth. There's nothing stronger, nothing has lasted this long. Nothing has been better at protecting forests from harm. And no one else in the United States, not one other in the 49 states or the District of Columbia has managed to duplicate that. We caught lighting in the bottle in 1894 and every time there is talk about a Constitutional Convention, I get worried that [that] provision is going to disappear.

Of the Catskill Park, Mr. Sheehan said:

The forest preserve also protects the purity of the New York City water supply. Catskill Park and Catskill Forest Preserve is the reason that you have the best water in the United States, in New York City. It's the reason you don't have to go to bed at night worrying that your children has suffered the same fate as the children of Flint, Michigan who drank poison water for years and had no idea. Forever Wild can protect that for generations to come.¹³

¹² Id.

¹³ Senator Velmanette Montgomery, *What's at Risk: Environmental Protections in the New York State Constitution*, October 02, 2017,

https://www.nysenate.gov/newsroom/articles/velmanette-montgomery/whats-risk-environmental-protections-new-york-stateget and the stateget and



The fact that this project is proposed at this location, is an indicator of a disturbing lack of fundamental awareness by the Applicant. While the application contains an acknowledgment of the Park and State Forest Preserve lands, the application otherwise manifests a lack of depth of understanding of the meaning of these lands and the protections that are afforded them by the very Constitution of New York State.

It's hard to imagine lands less well-suited for this project than the lands upon which they are proposed.

Part 5: Practical impossibility of this project warrants permit denial.

Justice requires that the practical impossibility of the Applicant's obtaining the property rights necessary to actually implement this project warrants a denial of the permit sought.

5.1. <u>New York State Forever Wild Protection of Forest Preserve Lands.</u>

In its application, the Applicant acknowledges that:

The proposed upper reservoir alternatives: Stony Clove Reservoir, Woodland Reservoir or Wittenberg Reservoir, would be created in the New York's (sic) State lands. The pressure tunnels or penstocks would go through part of the New York's (sic) State Lands and the New York's (sic) City Lands.¹⁴

The Applicant's First Amendment also contains a map of the proposed Stony Clove Reservoir Limits. That map clearly show the limits of the reservoir extending onto State Forest Preserve Lands.¹⁵

The significance of the State Forest Preserve protections and the location of significant parts of this project on Forest Preserve lands is that it will be virtually impossible for the Applicant to lawfully utilize Forest Preserve lands for its project as planned. What makes this situation different in this case is that, acquiring the right to use these lands is not a practical option for the Applicant. The simple reality is that the use of these lands for this purpose is illegal under the New York State Constitution. Changes to land management in the State Forest Preserves cannot be granted by State agencies. In fact, changes must be passed by constitutional amendment, voted on by two consecutive sessions in the state legislature, and then submitted to the public in a referendum.¹⁶

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¹⁴ Premium Energy Holdings' First Amendment for Preliminary Permit for the Ashokan Pumped Storage Project, at page

¹⁵ *Id.*, at page 23.

¹⁶ Valkenburgh, Van, *The Catskill Park, Inside the Blue Line*, 2004.



5.2. Lack of federal eminent domain power in this case.

In addition, as was pointed out by the City of New York in its comments on this project, Section 21 of the Federal Power Act (FPA), the federal right of eminent domain is not available to the Applicant.

5.3. Impossibility of using New York City lands.

Finally, the City of New York has made clear in its comments to FERC on this project, that the City will not consent to granting access or control to the Applicant for this Project.¹⁷

5.4. Permit denial is warranted.

The permit sought by the Applicant should be denied based on the practical impossibility of acquiring the lands necessary to build this project. While possession of the necessary property rights are not a requirement of the permit, it should be a basis for denial in this case. To grant this permit, and to place the local stakeholders in the position of having to continue to expend time and money to engage and participate in this impossible project would perpetrate a tremendous injustice. The resources of local governments, like our client the Town of Hunter, are stretched thin already without this pointless additional burden. The same can be said for the myriad environmental organizations which have mobilized to oppose this thoughtless application.

Part 6: The General Adverse Impacts this Project.

6.1. This project will exacerbate existing turbidity problems in the Esopus Creek.

The issue of the potential adverse impacts to water quality in the Catskills had been covered by other comments. In its memorandum of comment dated 08 April 2021, New York City presents a detailed discussion of the importance of controlling turbidity, and the potential of this project to significantly increase turbidity in the Ashokan Reservoir, and impact that would have a domino effect on New York City's water quality management mechanisms.

What the City's comment doesn't cover though, is the issue of turbidity outside the Ashokan Reservoir.¹⁸

The Ashokan Reservoir was created by damming the Esopus Creek. The Esopus Creek below the Ashokan eventually runs into the Hudson River. Turbid water flows into the western half of the Ashokan where red silt and clay settle before water passes to the eastern half of the

¹⁷ Comments of the City of New York, dated 08 April 2021, on Premium Energy Holdings LLC, Project No. 15056-000, at page 13-14.

¹⁸ See Gilson, Roger Hannigan, *Mud in the Water: The Fight Over Turbidity in Esopus Creek*, The River, April 03, 2021, https://therivernewsroom.com/fight-over-turbidity-esopus-creek/.



reservoir where the water clears and then feeds the City water supply.

Water is discharged from the western half of the Ashokan into the Esopus in order to mitigate flooding and to pump turbidity out of the reservoir. According to reports, since 2010, hundreds of billions of gallons of turbid water have been discharged from the Ashokan into the Esopus when the Ashokan becomes muddy or overfilled. In fact, it is the reason that the Esopus is sometimes referred to as "Yoo- hoo creek" as it waters can resemble the chocolate beverage.¹⁹ The impacts of those discharges have been the subject of a well-known and long-running dispute between the New York City Department of Environmental Protection (DEP), which operate the water system at the Ashokan, and Ulster County, the Hudson River Riverkeeper and the downstream communities along the Esopus.

It is clear that the current conditions in the Ashokan have made managing turbidity very difficult. And any addition to this already difficult situation that will result in additional turbidity in the Ashokan will cause damage within the Ashokan Reservoir and the City water supply system, and also to that portion of the already-struggling Esopus Creek which lies downstream from the Ashokan. For the reasons described in detail in the City's memorandum of comment, this project will exacerbate turbid conditions within the Ashokan. This will have a domino effect of other adverse impacts as described above.

This is another reason why this site is wholly unsuited for this project.

6.2. Detriment to this System Outweigh Benefits.

As has also been noted in several comments already submitted, the Applicant falsely classifies this system as a closed-loop project. However, it is not a closed-loop project. Instead, it is an open-loop project, with an add-on to the lower Ashokan reservoir.

Closed-loop projects have been found to have lower environmental impacts than open-loop projects.²⁰ Again, the misclassification of this system is yet another example of the ignorance and disregard to the review process demonstrated by the Applicant in this proposal. Even with the lower Ashokan reservoir already constructed, there are projected to be more environmental harms with this system than that of an actual closed-loop project.

This application is wrought with misinformation, lack of information, and ignorance of wellknown policies and regulations within New York State. This application should be denied now, and save the municipalities and other agencies the time and effort to protect this area from devastation.

¹⁹ Worth, Robert, *As the Waters of Esopus Creek Grow Muddy, the Trout Disappear*, New York Times, July 9, 2000, https://www.nytimes.com/2000/07/09/nyregion/as-the-waters-of-esopus-creek-grow-muddy-the-trout-disappear.html

²⁰ U.S. Department of Energy, A Comparison of the Environmental Effects of Open-Loop and Closed-Loop Pumped Storage Hydropower, April 2020,

https://www.energy.gov/sites/default/files/2020/04/f73/comparison-of-environmental-effects-open-loop-closed-loop-psh-1.pdf

Page 13 of 13



Part 6. Conclusion

The permit sought by the Applicant should be denied based on the practical impossibility of acquiring the lands necessary to build this project. While possession of the necessary property rights are not a requirement of the permit, it should be a basis for denial in this case. To grant this permit, and to place the local stakeholders in the position of having to continue to expend time and money to engage and participate in this impossible project would perpetrate a tremendous injustice. The resources of local governments, like our client the Town of Hunter, are stretched thin already without this pointless additional burden. The same can be said for the myriad environmental organizations which have mobilized to oppose this thoughtless application.

On behalf of the Town of Hunter, we ask that you deny this permit. Thank you for your time and consideration.

Respectfully submitted,

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