

The Honorable Kathleen H. Burgess, Secretary
Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

VIA EMAIL

November 8, 2015

**RE: Case 15-E-0516 - Greenidge Generation, LLC
Case 15-G-0571 - Greenidge Pipeline, LLC and Greenidge Pipeline Properties Corporation
Case 15-T-0586 - Greenidge Pipeline, LLC, and Greenidge Pipeline Properties Corporation**

Dear Secretary Burgess,

We Are Seneca Lake is writing to request that you deny the Petitions of Greenidge Generation LLC for an Original Certificate of Public Convenience and Necessity and Lightened Regulation; of Greenidge Pipeline LLC and Greenidge Pipeline Properties Corporation for an Expedited Original Certificate of Public Convenience and Necessity and for Incidental or Lightened Regulation; and of Greenidge Pipeline LLC; Greenidge Pipeline Properties Corporation to Construct a Fuel Gas Transmission Line, Containing Approximately 24,318 Feet of 8” Steel Pipeline, Located in the Towns of Milo and Torrey, Yates County. The Applicants have not demonstrated adequate need for the return to service of this power plant and construction of its associated pipeline.

We Are Seneca Lake is a coalition of individuals opposed to the expansion of fossil fuel infrastructure in the Finger Lakes region, particularly the Crestwood methane and LPG storage facility in Reading, NY. We oppose the Greenidge plant on the basis of creating a significant demand for natural gas in the region. Despite assurances from Mr. Irwin that the Greenidge facility does not plan on purchasing natural gas from Crestwood’s storage

facility we are well aware that with the construction of the proposed pipeline it will be physically possible to do so, via connections of both facilities with the bi-directional Empire Connector and Millennium Pipelines. Whether or not gas is purchased from a given supplier depends on a variety of factors at a given moment, including the price and availability of natural gas and the current pricing offered for electric power generation. While perhaps not probable, it is possible that gas purchased by the Greenidge plant may come from an intermediary that has stored gas at the Crestwood facility. We acknowledge that the well-documented dangers the Crestwood storage facility poses to Seneca Lake and its tourism economy are not directly at issue in this matter, but they remain at the forefront of our minds.

A. Developing or repowering additional natural gas power plants is not good energy policy at this time.

Increased use of natural gas poses serious risks to our climate and reliability of our energy system. The Intergovernmental Panel on Climate Change estimates methane to have 86 times more impact on the climate than carbon dioxide over a twenty-year timeframe.¹ This is the exact timeframe in which we must significantly reduce our greenhouse gas emissions in order to avoid catastrophic climate change. Methane emissions from natural gas production, processing, transmission and distribution have been historically underestimated by ground-level studies.² Atmospheric level studies document substantial leakage from natural gas drilling operations.³ Creating additional demand for natural gas at this time is irresponsible and contrary to the United States and New York State meeting our greenhouse gas reduction goals.

Further, the New York Independent System Operator (NYISO) raises concerns about

¹ IPCC. 2013. Climate change 2013: the physical science basis. Intergovernmental Panel on Climate Change. Available at <https://www.ipcc.ch/report/ar5/wg1/> (accessed 10 January 2014).

² Howard, T. (2015), University of Texas study underestimates national methane emissions at natural gas production sites due to instrument sensor failure. *Energy Science & Engineering*, 3: 443–455. doi: 10.1002/ese3.81

³ Brandt, A. R., G. A. Heath, E. A. Kort, F. O'Sullivan, G. Pétron, S. M. Jordaan, et al. 2014. Methane leaks from North American natural gas systems. *Science* 343:733–735. doi: 10.1126/science.1247045

overdependence on natural gas in its 2015 *Power Trends* report:

*The increasing dependence upon natural gas to produce power raises concerns regarding the potential impacts of gas availability on electric system reliability and power costs. Disruptions in natural gas supply and/or delivery can affect the ability of gas-fueled generation to provide power, which could impact electric system reliability. Likewise, power costs will be increasingly subject to volatility associated with natural gas prices.*⁴

Natural gas currently accounts for 56% of New York's generating capacity.⁵

B. The Greenidge Power Plant does not adequately demonstrate need in their petition for a Certificate of Public Convenience and Necessity and Lightened Regulation.

The Rules and Regulations of the Public Service Commission require that the applicant demonstrate the public need for the proposed service including, but not limited to:

- (1) the adequacy of the existing service to meet the reasonable needs of the public in the territory involved;*
- (2) the ability and willingness of the present operator(s) to provide such reasonably adequate service; and*
- (3) the degree of competition desirable or required by the public interest.*⁶

Greenidge fails to demonstrate any of these points in their petition. They simply argue that the SRIS Study performed by the NYISO concluded that the repowering of the

⁴NYISO. *Power Trends 2015: Rightsizing the Grid*. New York Independent System Operator. p. 41. Available at http://www.nyiso.com/public/webdocs/media_room/press_releases/2015/Child_PowerTrends_2015/ptrends_2015_FINAL.pdf (accessed 7 November 2015).

⁵ *Id.* at 6.

⁶ NYCRR 16 Part 21.3(g)

Greenidge plant “will not adversely impact the reliability of the New York State Transmission System,” and point to the benefit of providing service on a merchant basis and not requesting public funding, and creating 10 local jobs.⁷ While no one can argue that Dresden, NY was not economically harmed by the closure of the Greenidge power plant in 2011, and could benefit from local job development, the Public Service Commission is tasked with considering the needs of ratepayers rather than the economic development of a region as part of the calculation of need. Jobs can come from many sources, including the redevelopment of the facility to produce renewable energy. They further point to the pending approval of air permits by the NYSDEC and plans to keep within those permits as support of the plant being within the public interest. However, at this time the plant has zero emissions; while permitted, the proposed emissions do negatively impact the public both locally and globally and cannot be considered a benefit.

C. Existing service without the Greenidge power plant is adequate to meet the reasonable needs of the public in the territory involved, and therefore there is no need for this facility. (Addressing NYCRR 16 § 21.3(g)(1))

NYISO reports that in New York state, “year-to-year growth in the overall usage of electric energy from the bulk electric system is forecasted to be flat over the next decade” and while peak demand is expected to grow, “Energy efficiency programs and distributed energy resources (solar photovoltaics and other “behind-the-meter” systems) in New York are expected to reduce the growth of peak demand on the bulk power system by more than 2,700 megawatts from projected levels by 2025. They are also expected to lower annual energy usage served by the bulk power system by more than 14,000 gigawatt-hours in 2025.”⁸

⁷ Greenidge Generation LLC AMENDED AND RESTATED VERIFIED PETITION OF GREENIDGE GENERATION LLC FOR EXPEDITED ORDER GRANTING ORIGINAL CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AND LIGHTENED REGULATION. Case 15-E-0516 P. 12. Submitted 21 September 2015. Available at

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={0F3F78E3-DB4A-4436-A6E1-A4938B799239}> (Accessed 7 November 2015).

⁸ NYISO at 4.

Greenidge purports to serve the entirety of New York State. As of 2015, power resources available to serve New York State totaled 41,610 megawatts. “Total capacity remains well above the projected peak demand of 33,567 megawatts plus the reserve requirement, which totals 39,273 megawatts.”⁹ The greatest demand for power in New York comes from NYC and Long Island and other areas downstate. Capacity of the Greenidge facility to service these areas is limited by the capacity and inefficiencies of the transmission lines. The Greenidge facility is located within NYISO Zone C. Within this zone, there is a clear overabundance of capacity versus demand. See Figure 1. Even the closure of the Fitzpatrick Nuclear facility (800 MW) does not significantly reduce the excess capacity available, more and more generation is coming online from wind and solar, and NY’s significant hydroelectric production more than makes up for any loss of solar capacity during the night.

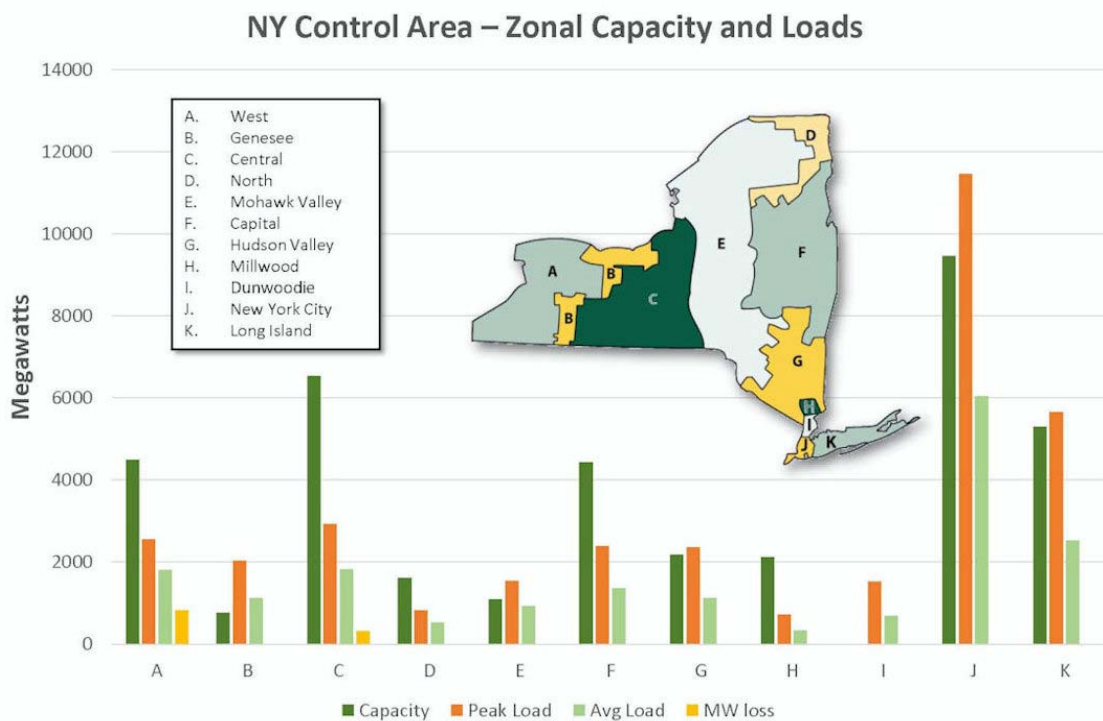


Figure 1: Zonal capacity and loads. Prepared by Irene Weiser from data contained in NYISO's 2015 "Gold Book"

⁹ NYISO at 22.

D. The competition in the energy grid desired by the public interest is for clean renewable energy, not antiquated and polluting fossil fuels. (Addressing NYCRR 16 § 21.3(g)(3))

Regarding competition, the Greenidge facility proposes to add no more power to the grid (106.3 MW) than a number of proposed individual proposed wind projects in Zone C. These include NextEra Energy Resources's Watkins Glen Wind project at 122.4 MW and Baron Winds' 300 MW project, among other smaller wind projects.¹⁰ The Greenidge facility is dependent on the availability and price of natural gas and its competitiveness must be questioned. Additionally, at this time this plant has zero emissions. Bringing it back online will, while within air permit requirements, add in excess of 100 tons per year to the air of each of the following: particulate matter smaller than 10 microns (PM-10), total particulates (PM), sulfur dioxide (SO₂), oxides of nitrogen (NOX), and carbon monoxide (CO), subject to various permit conditions, in addition to carbon dioxide (CO₂).¹¹ The addition of pollutants to the air, no matter how well within air permit limits, is not in the public interest.

E. Repowering the Greenidge plant is contrary to the goals and methods of the Public Service Commission's Reforming our Energy Vision initiative.

The Public Service Commission is currently working to re-tool New York's energy market through the "Reforming our Energy Vision" (REV) process, with an eye to meeting New York's renewable energy goals and reducing peak power consumption. New York State aims to have 50% of its electricity generation come from renewable

¹⁰ NYISO. 2015 Load & Capacity Data. New York Independent System Operator, Inc. P. 72. Available at http://www.nyiso.com/public/webdocs/markets_operations/services/planning/Documents_and_Resources/Planning_Data_and_Reference_Docs/Data_and_Reference_Docs/2015%20Load%20and%20Capacity%20Data%20Report.pdf (Accessed 7 November 2015).

¹¹ See the DEC's August 12, 2015 Environmental Notice Bulletin, http://www.dec.ny.gov/enb/20150812_reg8.html

resources, and achieve a 40% reduction in GHG emissions by 2030.¹² To bring a fossil fuel plant back online at this time is contrary to this goal.

Further, as the Greenidge plant aims to operate on the spot-pricing wholesale market, it is looking to service a peak demand market that REV is actively working to reduce through new technologies. As the Public Service Commission acknowledges, this new approach would facilitate the growth of demandside resources as the primary tool to manage distribution system flows, shape system load, and enable customers to choose cleaner, more resilient power options.¹³

It is unclear whether the operators and financiers behind the Greenidge power plant are taking into account these shifting regulatory and market dynamics, or if they are basing their judgment on their prior experience with how the market has worked in the past.

F. There is no need for the construction of a new natural gas pipeline and the PSC should deny the petitions in Case 15-G-0571 and Case 15-T-0586.

Greenidge Pipeline and Greenidge Properties likewise fail to demonstrate need for the pipeline. They again do not clearly or adequately cover the points in NYCRR 16 Part 21.3(g), again relying on local jobs and tax revenue as their major justification for the need for the pipeline. Again, no one is questioning the need for economic development in the area but the issue at hand is whether the ratepayers of New York need this facility. Greenidge argues that the pipeline is needed to serve the plant. However, having demonstrated the lack of need for the power plant itself as explained above, it is clear that there is no need for the development of the proposed 4.5 mile pipeline. Even if the plant is allowed to repower, it can also run on biomass and is not dependent on natural gas as a sole source of fuel. Pipelines require a commitment of natural resources that cannot be easily undone. The farmland, forests, and ravines affected will suffer permanent impacts

¹² New York State. Reforming the Energy Vision: About the Initiative. Available at <http://www3.dps.ny.gov/W/PSCWeb.nsf/All/CC4F2EFA3A23551585257DEA007D CFE2?OpenDocument>. Accessed 7 November 2015.

¹³ NYISO. 2015 Power Trends, at 54.

on fertility and ecological integrity.

G. Greenidge Pipeline LLC and Greenidge Pipeline Properties Corporation do not qualify for an Expedited Original Certificate of Public Convenience and Necessity (Case 15-G-0571) due to the concerns raised at the public hearing on November 4, 2015. At the very least, additional public hearings are needed.

According to Public Service Commission regulation, “If, at the hearings provided by subdivision (a) of this section, the commission finds that there is a substantive basis for opposition to the granting of the certificate, it shall order that the matter be set for further hearings.”¹⁴ Significant opposition was heard at the public hearing in Dresden, NY on November 4, 2015 and the meeting ran so late that many people who had signed up to speak had to leave before speaking. An expedited process should not be granted, as this is a contested application.

Conclusion

We Are Seneca Lake respectfully requests that the Public Service Commission deny the three petitions related to the repowering of the Greenidge power plant and the related building of a 4.5 mile pipeline.

Sincerely,

Lindsay Speer
Director, Creating Change Consulting
512 Jamesville Avenue
Syracuse, NY 13210
on behalf of We Are Seneca Lake

¹⁴ NYCRR 16 § 21.10(c)