

APPENDIX B

POLICY 27 Decisions on the siting and construction of major energy facilities in the coastal area will be based on public energy needs, compatibility of such facilities with the environment, and the facility's need for a shorefront location.

A. Explanation of Policy

Demand for energy in New York will increase, although at a rate slower than previously predicted. The State expects to meet these energy demands through a combination of conservation measures; traditional and alternative technologies; and use of various fuels including coal in greater proportion.

A determination of public need for energy is the first step in the process for siting any new facilities. The directives for determining this need are contained primarily in Article 5 of the New York State Energy Law. That Article requires the preparation of a State Energy Master Plan. With respect to transmission lines and steam electric generating facilities, Articles VII and VIII of the State's Public Service Law require additional forecasts and establish the basis for determining the compatibility of these facilities with the environment and the necessity for a shorefront location. The policies derived from the siting regulations under these Articles are entirely consistent with the general coastal zone policies derived from other laws, particularly the regulations promulgated pursuant to the Waterfront Revitalization and Coastal Resources Act. That Act is used for the purposes of ensuring consistency with the Coastal Management Program.

The Department of State will comment on the State Energy Master Plan; present testimony for the record during relevant certification proceedings under Articles VII and VIII of the PSL; and use the State SEQR and DOS regulations to ensure that decisions on other proposed energy facilities (other than transmission facilities and steam electric generating plants) which would impact the coastal area are made consistent with coastal policies.

B. State Means for Implementing the Policy

1. Energy Law (Article 5)

Under this law an Energy Planning Board was established. As required, the Board prepared and adopted the first State Energy Master Plan which is currently in effect. The Board is now considering an updated plan. See Section 7 of this document for a more detailed discussion of this plan.

2. Public Service Law (Article VIII) - Siting of Major Steam Electric Generating Facilities

Before preparation of a site or the construction of a major steam electric generating facility can commence, a Certificate of Environmental Compatibility and Public Need must be issued by the New York State Board on Electric Generation Siting and the Environment. This process is described in detail in Section 7. In granting this certificate, the Board must determine that the facility:

- o Represents the minimum adverse environmental impact, considering the state of available technology; the nature and economics of the various alternatives; and the interests of the state with respect to aesthetics, preservation of historic sites, forests and parks, fish and wildlife, and viable agricultural lands;
- o Complies with applicable State laws concerning, among other matters, the environment and public health and safety;
- o Serves the public interest, convenience and necessity.

The regulations which implement Article VIII and govern the Board's decision (see Appendix A, #7) assure that this decision will be compatible with the policies articulated in this document, both those relating to environmental protection and to economic development.

To further ensure compatibility, the Department of State will review applications and may present testimony during proceedings

involving facilities proposed to be sited in coastal areas. When reviewing applications, the Department will examine the required description of reasonable alternate locations as well as the rationale for the preferred site, particularly with respect to potential land uses on or near the proposed site, and the justification for the amount of shore-front land to be used. Proposed uses which are likely to be regarded by the Department as requiring a shorefront location include:

- o Uses involved in sea/land transfer of goods (docks, pipelines, short term storage facilities);
- o Uses requiring large quantities of water (hydroelectric power plants, pumped storage power plants); and,
- o Uses that rely heavily on waterborne transportation of raw materials or products which are difficult to transport on land.

3. Public Service Law (Article VII) - Siting of Major Utility Transmission Facilities

Prior to the construction of a major electric or fuel gas transmission facility, a Certificate of Environmental Compatibility and Public Need must be granted by the Public Service Commission. See Section 7 of this document for a detailed description of this process. In issuing a certificate, the Commission must determine that the facility:

- o Represents the minimum adverse environmental impact, considering the state of available technology and the nature and economics of the various alternatives;
- o Conforms with applicable State laws;
- o Serves the public interest, convenience and necessity.

As with steam electric generating plants, the Department of State will review applications and may present testimony during proceedings involving transmission facilities proposed to be sited in the coastal area. The Department will examine the same matters as under Article VIII. It will also use the same

criteria to determine the need for a shore-front location and the consistency of the proposal with coastal policies.

Interstate transmission facilities, such as gas and petroleum pipelines, coal slurry pipelines and electric transmission lines associated with hydroelectric facilities, are regulated by Federal agencies. Through Federal consistency provisions, such facilities will be sited in a manner that is consistent with the Program's policies.

4. Environmental Conservation Law (Article 23, Title 17) - Liquefied Natural and Petroleum Gas

All liquefied natural gas (LNG) and liquefied petroleum gas (LPG) facilities, must obtain an environmental safety permit before construction and operation. For a permit to be granted, it must be shown that such facilities would not endanger residential areas and contiguous populations and would otherwise conform to siting criteria established by the Department of Environmental Conservation. During the review of proposed projects, consideration is given to: the location of the proposed facility; the design and capacity of the facility; expected sources of the gas; methods of transporting gas to and from the facility and transportation routes; the public need for the facility; its environmental impacts; and, descriptions of reasonable alternate locations for the facility.

5. Waterfront Revitalization and Coastal Resources Act, Executive Law (Article 42)

Section 919 of Article 42 requires 1) that State agencies' actions, including direct energy development activities such as those undertaken by the Power Authority of the State of New York, must be consistent with the environmental protection and development policies of this act. This provision of law is implemented by amendments to SEQR (below) and by DOS regulations. DOS regulations (19 NYCRR Part 600) provide that, for their direct actions which do not have a significant effect on the environment, State agencies certify that the action is consistent with the coastal policies, 2) that the Secretary of State shall review actions

of State agencies that may affect achievement of the policy, and 3) that SEOR regulations be amended to reflect consideration of coastal resources.

Section 2 of the Act requires that State agencies analyze their programs' consistency with coastal policies and that the Secretary of State recommend any needed modifications to the Governor and the Legislature.

6. State Environmental Quality Review Act, Environmental Conservation Law (Article 8)

Under the State Environmental Quality Review Act, State agencies and local governments are required to prepare an environmental impact statement for any action that might have a significant impact upon the environment. This requirement applies to large scale energy facilities other than transmission lines and steam electric generating plants as described above. The environment is broadly defined to include existing patterns of development and land resources. Actions which have been subject to an environmental impact statement must, consistent with social, economic, and other essential considerations, minimize or avoid, to the maximum extent practicable, the adverse environmental effects revealed in the impact statement (ECL §8-0109-8). In addition, pursuant to Article 42 of the Executive Law, SEOR regulations are amended to require that for actions by a State agency for which an EIS has been prepared, such actions shall be consistent with the coastal policies.

7. Water Resources Law, Environmental Conservation Law (Article 15)

Proposals, including those to construct all pipelines, which would excavate or deposit fill in any navigable waters and adjacent marshes and estuaries of the State require permits issued by the Department of Environmental Conservation.

8. Tidal Wetlands Act, Environmental Conservation Law (Article 25)

The Tidal Wetlands Act requires that a permit be issued for uses, including oil pipelines, in identified tidal wetlands. It must be demonstrated that proposed facilities will

not adversely affect water quality, flood and storm control, marine food production, wild-life habitats, open space, and aesthetically significant areas.

9. Freshwater Wetlands Act, Environmental Conservation Law (Article 24)

The Freshwater Wetlands Act requires that a permit be issued for uses, including oil pipelines, in identified freshwater wetlands. It must be demonstrated that proposed facilities will not adversely affect water quality, flood and storm control, erosion control, subsurface water resources, wildlife habitats, freshwater fish sanctuaries, open space, and aesthetically significant areas.

10. Oil Spill Prevention, Control and Compensation, Navigation Law (Article 12, Section 170 et. seq.)

This Article provides for the protection of the State's environment and economy by preventing unregulated discharge of petroleum from major facilities; by authorizing the Departments of Environmental Conservation and Transportation to respond quickly to remove any discharges; and by establishing liability for any damages sustained within the State as a result of such discharges.

The Article also creates a fund for clean-up, restoration and compensation for damages caused by oil spills. Before a license to construct a major oil facility can be issued by the Department of Transportation, an applicant must pay the required fee to help maintain the fund and must show that the necessary equipment to prevent, contain and remove petroleum discharges will be provided. The Department will issue licenses for major onshore facilities only after the Department of Environmental Conservation has certified that the applicant has the necessary equipment to control oil discharges.

11. State Pollutant Discharge Elimination System, Environmental Conservation Law (Article 27)

This Article requires permits for construction of new outlets or new disposal systems to discharge industrial and other wastes into State waters, including wastes from nuclear power plants, other steam electric generating

plants, and petroleum facilities. This permit procedure ensures that established water quality standards are met.

12. Air Pollution Control, Environmental Conservation Law (Article 19, Title 3)

This Article gives the Department of Environmental Conservation the authority to promulgate and enforce regulations controlling air emissions, including those released by energy facilities. These regulations appear in the State Implementation Plan which details State strategies for meeting Federal air quality standards under the Clean Air Act.

POLICY 29 Encourage the development of energy resources on the Outer Continental Shelf, in Lake Erie and in other water bodies, and ensure the environmental safety of such activities.

A. Explanation of Policy

The State recognizes the need to develop new indigenous energy sources. It also recognizes that such development may endanger the environment. Among the various energy sources being examined are those which may be found on the Outer Continental Shelf (OCS) or in Lake Erie. The State has been encouraging the wise development of both.

Matters pertaining to the OCS are the responsibility of the Department of Environmental Conservation. In 1977, the Department, in cooperation with regional and local agencies, completed a study which identified potential sites along the marine coast for on-shore OCS facilities. To date, these sites have not been developed for this purpose. The Department, also, actively participates in the OCS planning process by reviewing and voicing the State's concerns about federal OCS oil and gas lease sales and plans. In its review of these proposed sales and plans, the Department considers a number of factors such as the effects upon navigational safety in the established traffic lanes leading into and from New York Harbor; the impacts upon important finfish, shellfish and wildlife populations and their spawning areas; economic and other effects upon commercial and recreational fishing activities; impacts upon public recreational resources and opportunities along the marine coast; the potential for geohazards; impacts upon biological communities; and water quality.

The Department of Environmental Conservation has also examined the potential impacts of Lake Erie gas drilling and is instituting reasonable guidelines so that activities can proceed without damage to public water supplies and other valuable coastal resources. State law prohibits development of wells nearer than one-half mile from the shoreline, two miles from public water supply intakes, and one thousand feet from any other structure or installation in or on Lake Erie. Further, State law prohibits production of liquid hydrocarbons in Lake Erie, either alone or in association with natural gas. The Department has not, however, reached a decision as to whether or not the lands under Lake Erie will be leased for gas exploration purposes.

B. State Means for Implementing the Policy

1. Environmental Conservation Law (Section 23-1101)

The Department of Environmental Conservation may lease the lands beneath Lake Erie according to specific siting, operation, and liability requirements. Thus the State's environmental agency will retain control over the process and ensure appropriate environmental safeguards. The production of liquid hydrocarbons is, however, prohibited by this Article.

2. Environmental Conservation Law (Section 23-0305)

This law provides that the Department of Environmental Conservation will retain jurisdiction over any active or abandoned wells and wellheads and may limit production. The Department may act to terminate hazardous discharges which threaten natural resources. Under this law, producers and handlers must maintain accurate records of quantities of gas handled.

3. Siting of Major Utility Transmission Facilities, Public Service Law (Article VII)

This law establishes procedures to be followed by developers of natural gas in the construction of any gathering pipelines from wellheads and any master collecting pipelines in accordance with the environmental considerations of this Article as discussed under the previous policy.

4. Public Service Law (Article 4, Section 66)

Under this law, the Public Service Commission regulates the safe construction and operation of natural gas pipelines from the wellhead to any onshore connection.

5. Waterfront Revitalization and Coastal Resources Act, Executive Law (Article 42)

See description under Policy 27.

6. State Environmental Quality Review Act, Environmental Conservation Law (Section 8-0113)

See description under Policy 27.

7. Water Resources Law, Environmental Conservation Law (Article 15)

See description under Policy 27.

8. Freshwater Wetlands Act, Environmental Conservation Act (Article 24)

See description under Policy 27.

9. Freshwater Wetlands Act, Environmental Conservation Act (Article 24)

See description under Policy 27.

POLICY 40 Effluent discharged from major steam electric generating and industrial facilities into coastal waters will not be unduly injurious to fish and wildlife and shall conform to State water quality standards.

A. Explanation of Policy

The State Board on Electric Generation Siting and the Environment must consider a number of factors when reviewing a proposed site for facility construction. One of these factors is that the facility "not discharge any effluent that will be unduly injurious to the propagation and protection of fish and wildlife, the industrial development of the State, the public health, and public enjoyment of the receiving waters." The effects of thermal discharges on water quality and aquatic organisms will be considered by the siting board when evaluating an applicant's request to construct a new steam electric generating facility.

B. State Means for Implementing the Policy

1. Siting of Major Steam Electric Generation Facilities, Public Service Law (Article VIII)
2. Thermal Discharge Regulation, Environmental Conservation Law (Article 17, Title 3, 6 NYCRR, Part 704)

POLICY 41 Land use or development in the coastal area will not cause National or State air quality standards to be violated.

A. Explanation of Policy

New York's Coastal Management Program incorporates the air quality policies and programs developed for the State by the Department of Environmental Conservation pursuant to the Clean Air Act and State Laws on air quality. The requirements of the Clean Air Act are the minimum air quality control requirements applicable within the coastal area.

To the extent possible, the State Implementation Plan will be consistent with coastal lands and water use policies. Conversely, coastal management guidelines and program decisions with regard to land and water use and any recommendations with regard to specific sites for major new or expanded industrial, energy, transportation, or commercial facilities will reflect an assessment of their compliance with the air quality requirements of the State Implementation Plan.

The Department of Environmental Conservation will allocate substantial resources to develop a regulatory and management program to identify and eliminate toxic discharges into the atmosphere. The State's Coastal Management Program will assist in coordinating major toxic control programming efforts in the coastal regions and in supporting research on the multi-media nature of toxics and their economic and environmental effects on coastal resources.

B. State Means for Implementing the Policy

1. Air Pollution Control Act, Environmental Conservation Law (Article 19), Environmental Quality Bond Act, Environmental Conservation Law (Article 15, Title 5) and Hazardous Substance Act, Environmental Conservation Law (Article 37).

POLICY 42 Coastal Management policies will be considered if the State reclassifies land areas pursuant to the prevention of significant deterioration regulations of the Federal Clean Air Act.

A. Explanation of Policy

The policies of the State and local coastal management programs concerning proposed land and water uses and the protection and preservation of special management areas will be taken into account prior to any action to change prevention of significant deterioration land classifications in coastal regions or adjacent areas. In addition, the Department of State will provide the Department of Environmental Conservation with recommendations for proposed prevention of significant deterioration land classification designations based upon State and local coastal management programs.

B. State Means for Implementing the Policy

1. Air Pollution Control Act, Environmental Conservation Law (Article 19)

This law provides the Department of Environmental Conservation with the authority to designate areas of the State based upon degree of pollution that may be permitted. It allows the Department to consider that what may be proper for a residential area, for example, may not be proper for a highly developed industrial area.

2. Waterfront Revitalization and Coastal Resources Act, Executive Law (Article 42)

Section 919 of Article 42 requires 1) that State agencies actions, including funding, planning, and land transactions, as well as direct development activities, must be consistent with the policies of this act, 2) that the Secretary of State shall review actions of State agencies that may affect achievement of the policy, and 3) that SEQR regulations be amended to reflect consideration and impacts on the use and conservation of coastal resources.

Section 2 of the Act requires that State agencies analyze their programs' consistency with coastal policies and that the Secretary of State recommend any needed modifications to the Governor and the Legislature.

POLICY 43 Land use or development in the coastal area must not cause the generation of significant amounts of the acid rain precursors: nitrates and sulfates.

A. Explanation of Policy

The New York Coastal Management Program incorporates the State's policies on acid rain. As such, the Coastal Management Program will assist in the State's efforts to control acid rain. These efforts to control acid rain will enhance the continued viability of coastal fisheries, wildlife, agricultural, scenic and water resources.

B. State Means for Implementing the Policy

1. Air Pollution Control Act, Environmental Conservation Law (Article 19).
2. Waterfront Revitalization and Coastal Resources Act, Executive Law (Article 42).

Section 919 of Article 42 requires 1) that State agencies actions, including funding, planning, and land transactions, as well as direct development activities, must be consistent with the policies of this act, 2) that the Secretary of State shall review actions of State agencies that may affect achievement of the policy, and 3) that SEQR regulations be amended to reflect consideration of impacts on the use and conservation of coastal resources.

Section 2 of the Act requires that State agencies analyze their programs' consistency with coastal policies and that the Secretary of State recommend any needed modifications to the Governor and the Legislature.