State Environmental Quality Review **NEGATIVE DECLARATION**

Notice of Determination of Non-Significance

Project: Montauk Temporary Generation Facility Project

Date: April 24, 2020

This notice is issued in accordance with Article 8 (State Environmental Quality Review Act) of the Environmental Conservation Law and its implementing regulations at 6 NYCRR Part 617 and 21 NYCRR LXXXI 10052.

The Long Island Power Authority ("Authority") has determined, based on information provided by PSEG Long Island and the Environmental Assessment Form Parts 1, 2 & 3 prepared by PSEG Long Island that the Proposed Action described below will not have a significant adverse impact on the environment and a Draft Environmental Impact Statement will not be prepared.

Name of Action: Montauk Temporary Generation Facility Project

Location: South side of Industrial Road approximately 960 ft. east of Second House

Road, Montauk, New York

SEQR Status: Unlisted

Conditioned Negative Declaration: No

Proposed Action Description:

The Proposed Action will provide 3MW of additional power generation capability to be utilized as needed to meet the seasonal electrical demands of the community of Montauk during peak periods starting in May 2020 and ending in September 2020, ("Proposed Action Period") when additional power capacity will be available from alternative sources. For the peak periods in the summers of 2017 – 2019, six generators (the "2017 – 2019 Facility") located at the Montauk Substation (the "Site") were available to provide additional power generation capability as needed. The Proposed Action provides for the location and availability of only three generators.

The Proposed Action will provide additional power generation capability to be utilized as needed during emergency situations. The units will be run in the event that a transmission line is out of service (i.e., contingency event). It is expected that for most of the summer season none of the units will be operating. The worst-case scenario contingency event¹ is expected to result in the Proposed Action facility operating for up to eight hours daily during a ten-day

¹ The worst-case scenario is a system contingency event that requires a ten-day repair of an out-of-service transmission line during a heat wave.

repair period, i.e. a total of 80 hours. The frequency or likelihood of the worst-case scenario or other less impactful contingency events requiring the Proposed Facility to operate cannot be meaningfully quantified; however, it can be stated that these events are possible, but not probable.

Without the availability of the generation units requested in the Proposed Action, the Montauk area would be at risk for limited blackout events during the summer peak demand season. PSEG Long Island originally planned to have available a new substation in Montauk by May 2020. However, the site selection process took substantially longer than could have been reasonably expected, resulting in the unavailability of that facility for the 2020 summer season.

PSEG Long Island obtained a NYSDEC Air Facility Registration Certificate for the operation of the 6 MW of temporary generation units for the 2017-2019 Facility. During the Proposed Action Period, the generators will operate under a NYSDEC Air Facility Registration Certificate for 3 MW of temporary generation units, which was issued for the Proposed Action by the NYSDEC on January 29, 2020.

The Proposed Action layout is illustrated in the attached Site Plan (see Figure 1.1). The Proposed Action scope includes:

- Installation of three modular gas generators. These will be contained in prefabricated double stacked steel shipping containers approximately 20 feet long, 8 feet wide and 17 feet high. These will be installed on secondary spill containment pads;
- Staging two CNG tanker trucks to supply fuel to the generators. CNG tanker trucks will
 make deliveries to the Project Area throughout the Proposed Action Period as needed to
 ensure adequate fuel supply. If all of the generation units operate for a 10-hour period,
 there will be two tanker truck deliveries to the Site per day. No tanker truck trips will
 occur, when the generators are not operating unless refueling is needed as a result of
 recent operation.
- Trained personnel will staff the Site during operational periods and will include an
 operating engineer to monitor and operate equipment and one or more fuel handling
 personnel to implement and monitor fueling operations. Routine maintenance will be
 conducted during normal work hours, and only emergency repair work will be
 conducted at night if needed.
- A 13-foot high noise attenuation barrier will be re-installed and maintained around the
 perimeter of the temporary generator units to attenuate noise down to acceptable levels
 (see the attached product specification sheets). The barrier will be constructed using
 Echo Barrier panels and Sound Seal noise barrier material or equivalent designed to
 attenuate noise.

• Fire suppression related equipment for the CNG trailers includes smoke and fire alarms that trigger breakers, which ultimately shut down the units and associated gas flow. In case of a fire, there is also a gas venting system that is used to vent the contents of each tanker.

The generating units will be removed at the end of the Proposed Action Period.

Reasons Supporting This Determination:

Based on a review of the Proposed Action's scope of work, the Environmental Assessment long form and supporting documents ("EA") were prepared (including Land Use, Natural Resources, Visual Resources, Energy, Construction, Traffic, Air, Smart Growth Assessment, Coastal Zone Consistency) by PSEG Long Island and by Shen Milsom & Wilke (Noise) to evaluate the potential impacts of the Proposed Action.

Land Use

The Proposed Action's energy output on the Site will involve similar or reduced levels of Site activity at and around the Montauk Substation as the 2017 - 2019 Facility. These Site activities will only occur during operating seasons from May to September 2020 and are not anticipated to impact land uses on the Site itself nor be of a magnitude to impact adjacent land uses. The equipment will be visible from nearby roadways and minimally visible from nearby residences. The Proposed Action land use is consistent with the adjacent uses in the study area to the north of the site which include other large commercial operations and the LIRR tracks. The closest residential land uses to the west on Industrial Road are separated from the Proposed Action Site by approximately 750 feet and already coexist with utility and energy generation uses located at the site.

The Proposed Action land use is consistent with the existing land use on the Montauk Substation site and will support land uses served by the Montauk Substation by facilitating PSEG Long Island and LIPA's ability to reliably meet electrical needs during peak demand periods. Therefore, no significant adverse land use impacts will result from the Proposed Action.

Natural Resources

The Proposed Action's scope of work will all occur within the fenced area of the Montauk Substation on a previously cleared 0.23-acre area. No work will occur outside of the fenced boundaries of this property. There are no birds, mammals, habitat, vegetation or threatened or endangered species on the Site. No significant adverse impacts to birds, mammals, reptiles and amphibians, threatened and endangered species, or vegetation will occur.

The Proposed Action is located within the Town of East Hampton Water Recharge Overlay District Critical Environmental Area (CEA); however, this district is a local zoning designation which does not apply to LIPA Actions. While LIPA actions are not subject to local zoning regulations, the Proposed Action is aligned with the goals and purposes of the CEA because no

significant adverse impacts on water resources will occur. All modular equipment to be placed on the Site's ground surface will be equipped with secondary spill containment. The Proposed Action will maintain a Spill Prevention Counter Control Plan (SPCCP) to ensure no equipment (transformers and generators) fluids are released to the ground surface. With these protections in place, significant adverse impacts to the adjacent wooded area or groundwater resources will not occur.

All activities for the Proposed Action will be conducted in accordance with the Conditions of PSEG Long Island's NYSDEC General Permit in order to ensure protection of adjacent wetland resources. Silt fencing (Natural Resource Conditions #17 and #18 of the General Permit) will be installed and maintained along the entire border of the 0.23-acre area where the Proposed Action equipment will be installed on the landward side of the chain-link fence and along the northern and southern rights-of-way of Industrial Road. Silt fencing will be located between the Site and the wetland boundaries, collecting any sediment that may be disturbed from trucks and movement of mobile equipment and preventing any sediment from moving into the wetlands. Tire ruts along road rights-of-way, which may occur during the transportation of the mobile equipment, will be graded and seeded with native vegetation (if applicable) in accordance with Natural Resource Condition #12. There will be no impacts to the two NYSDEC regulated freshwater wetlands (#MP-18 and #MP-23) located within 100 feet of the Site. With these protections in place, significant adverse impacts to the adjacent wetlands will not occur.

The Proposed Action is located within the 100-year floodplain. The Proposed Action has a Storm Response Contingency Plan designed to protect the Proposed Action equipment from damage due to flood levels, flood risk, or the flow of flood waters on the Montauk Substation. This Plan consists of monitoring weather daily and within 24 hours of a forecasted major storm event, securing equipment and employing flood prevention methods to ensure safe operation of the generators during a flooding condition. The primary objective of employing flood-prevention methods will be to minimize the effects of flooding and potential for soil erosion. No changes to topography or flood patterns will occur. No significant adverse impacts to flood plains will result from the Proposed Action.

Visual Resources

The Proposed Action will have three fewer generating units than the 2017 – 2019 Facility, and therefore will have reduced visual impact as compared to the 2017 – 2019 Facility. The areas adjacent to the Montauk substation have not significantly changed since the visual impacts of the 2017 – 2019 Facility were evaluated pursuant to SEQRA and approved in a Negative Declaration dated April 6, 2017.

The Proposed Action Site is within proximity to several scenic resources of both local and state significance. The Scenic Areas of Statewide Significance (SASS) are Lake Montauk (1.38)

miles), Hither Hills (0.96 miles), and Montauk Point (1.21 miles). Montauk Downs (0.31 miles) is a Scenic Area of Local Significance as identified in the East Hampton Scenic Areas of Statewide Significance Report (January 2010). There are no historic districts within proximity to the Site, however, there are National Register listed sites including the Montauk Manor (0.5 miles away) and Fort Hill Cemetery (0.64 miles away). Fort Pond and the Site may be visible from these areas. However, it is not located within the boundaries of any of these areas. Further, the Proposed Action Site is not prominently visible from these viewsheds in part due to the distance that separates them from the Site. Specifically, the visual rendering of the 2017 – 2019 Facility depicted in Figure 4.5 is at a distance of 0.20 miles and the change in the visual character of that facility is not pronounced or intrusive at this distance. In contrast, with only one exception, the scenic areas identified above are a mile or further from the Proposed Action. At those distances, the Proposed Action will not result in a significant visual impact. Therefore, the Proposed Action will not impact the visual character of these scenic or historic resources which are all further away. In conclusion, the visual character of the site will remain consistent with existing conditions and the Proposed Action will not result in a significant adverse impact to visual resources.

Energy

The Proposed Action will be beneficial by adding three megawatts of electric generation capacity during peak demand periods and will facilitate PSEG Long Island and LIPA's ability to reliably meet electrical needs during peak demand periods. The intent of the generators is not to support additional future development in the community, but rather to support reliable service to the existing community during the summer season. As the Proposed Action has been designed to further meet the existing energy need, no significant adverse impacts associated with energy will occur as a result of the Proposed Action.

Noise

Noise level increases were evaluated at the nearest residential, commercial, and industrial property lines to the east, south, west and north from the proposed generator locations. In order to reduce the increase above ambient noise levels, a 13-foot high noise attenuation barrier will be constructed and maintained around the perimeter of the temporary generator units. The existing ambient background noise level was measured to be 36 dBA at night and 44 dBA during the day, between March 18 and March 20, 2017 at the substation. The modeling of noise that will be generated by the Proposed Action identified noise increases that range from 11 dBA to 26 dBA at night and 4 dBA to 18 dBA during the day, depending on the receptor location. At the residential locations, incremental noise increases are between 11 and 13 dBA at night and between 4 dBA and 6 dBA during daytime hours. Noise levels from the Proposed Action will all be below 50 dBA during day and night conditions at residential receptors.

While increases in noise levels exceed 10 dBA at residential receptors at night and less than 6 dBA during the day, the overall noise level at all residential receptors remain at or below 50

dBA, which is below the NYSDEC and EPA threshold of 65 dBA for increases in ambient noise in non-industrial settings. Increases at industrial receptors reach up to 26 dBA at night and 18 dBA during the day, however, as with the residential receptors, overall noise levels will not exceed the 65 dBA threshold. Further, the generators will only be run in the event of an emergency (i.e., loss of a transmission line) for up to 8 hours per day over a ten-day period. Given the low probability of such an event occurring and the limited duration of the use of the generators, the temporary noise level increases that nearby receptors will experience is not considered significant. Accordingly, no significant adverse noise effects will result from the Proposed Action.

Construction

During most of the Proposed Action construction work, there will be no impact on traffic since most of the work will take place on the substation property and there will be only a limited number of vehicle trips to the substation property. The total anticipated duration of the Proposed Action construction is one month. It is possible that the delivery of equipment to the site might require the temporary deployment of flaggers and diversion of traffic. Flaggers will be deployed any time traffic will need to be temporarily regulated. Diversions for equipment deliveries or mobilization will be minimal and conducted in accordance with NYSDOT standards. It is expected that traffic diversion might occur only approximately on one or two days, and at most only for a couple of hours on each such day during generator installation and removal.

The air emissions generated by the operation of the construction vehicles will not be expected to result in significant air quality impacts. Appropriate equipment and truck idling reduction, and fugitive dust control measures, such as dust covers and rinsing for trucks will be employed to minimize emissions. Therefore, with best practices employed to minimize fugitive dust, there will be no potential for a significant adverse impact from the Proposed Action construction.

Noise from construction equipment is regulated by the United States Environmental Protection Agency (EPA) noise emission standards (USEPA 1971). These federal requirements mandate that certain classifications of construction equipment and motor vehicles meet specified noise emission standards and construction material be handled and transported in such a manner as not to create unnecessary noise. Construction equipment to be utilized includes a crane to deliver and place the generators.

Vibration levels at a given receptor are dependent on the type and number of pieces of construction equipment being operated, the receptor's distance from the work site, any shielding effects (i.e., from structures or surfaces that have a dampening effect on vibration) and type of soils and ground materials in the given area. The majority of the construction

equipment for the Proposed Action will consist of trucks and other mobile equipment such as a crane equipped with rubber tires to dampen vibration. In addition, the Proposed Action will involve no grading work and minimal ground intrusive activities. Therefore, construction activities associated with the Proposed Action will not result in significant adverse vibration impacts.

During the proposed installation of the generators, PSEG Long Island personnel will observe the construction activities to determine the potential for spills to land surface. The potential for spills is associated with direct leakage of lubricating oil from diesel generator engines, transformers or other equipment that houses lubricating oil. No petroleum and chemicals will be stored on Site.

If a spill is observed Action personnel will communicate to the Action manager who will implement an Action-specific spill prevention plan. The plan procedures will include reporting to NYSDEC, spill response, control, containment and waste management procedures. Implementation of the plan will ensure potential lubricating oil spills will be controlled without posing a significant adverse impact to the environment.

Traffic

CNG fuel for the generation units will be delivered to the Site in specially designed tanker trucks. When generation of supplemental electricity is necessary, two CNG tankers per day will be required to fuel the Proposed Action. The fuel needs for the Proposed Action will involve a maximum of 4 truck trips (2 arrival and 2 departure trips per 12-hour operation cycle) for the 3 MW facility. This maximum number of trucks will only occur during a period when all 3 generation units are operating for a continuous period of 8 hours, which is expected to occur at most, only a few times during the May to September period of the Proposed Action Operation. The trucks will arrive and depart the area via Montauk Highway. Between Montauk Highway and the Site there are two routes available; one follows Second House Road to Industrial Road to the Site and the second uses Edgemere Street to Industrial Road to the site. The site will be attended by two personnel per day adding two arrival and departure trips of personal vehicles per day.

Based on the forgoing, the traffic generated by the two trucks associated with the Proposed Action can readily be accommodated by the existing roadways, will not create any undue traffic safety problems, and will therefore not result in any significant adverse impacts to traffic. Moreover, the operation of all generation units for a continuous 8-hour period is expected to occur at most only for 10 days at a time in the worst reasonably foreseeable scenario, where a transmission outage coincides with a continuing heat wave.

Air

The Proposed Action will generate air emissions from three source emission points. The proposed generators will be fueled by natural gas. Based on the use of natural gas, emissions of select criteria air pollutants including particulates, lead and sulfur dioxide are negligible. Further, carbon monoxide emissions will be significantly less than the NYSDEC emission thresholds. Accordingly, the relevant analysis for potential NYSDEC permit requirements is limited to the NOx emissions.

During the Proposed Action Period, the Proposed Action will operate under a Registration Certificate, which will impose a limit of the 12.5 tpy of NOx on all generators combined. Based on a 123-day (May 15 to September 15) summer season, all three generators constituting the facility can operate for a cumulative total of 12,976 hours without exceeding the 12.5 tpy NOx limit. This number of hours could not be achieved even if the facility operated 24 hours/day every day during the 123-day operating season. The actual runtime of the facility is expected to be significantly lower.

Because maximum runtime is governed by the NOx limits, the maximum amount of methane and CO2 generated was calculated based on the maximum allowable runtime for the 2020 season. Methane emissions were calculated utilizing published values by the EPA (EPA AP-42) for a four cycle, natural gas-fired engine. As per these values, the maximum amount of methane generated in 2020 would be 6.2 tpy, which is 155 tpy in CO2 equivalents. Maximum CO2 emissions in 2020 would be 2,165.5 tpy. In total, maximum greenhouse gas emissions for 2020 will be 6,527 tpy of CO2 equivalents. This is well below the 75,000 tpy threshold established by the DEC requiring an air emissions permit. As a result, no significant adverse effects are anticipated from the Proposed Action in terms of greenhouse gas emissions.

Coastal Consistency

The coastal zone consistency assessment reviewed the Proposed Project's consistency with the forty-four (44) policies ("enforceable policies") established under the New York State Coastal Management Program ("CMP") with which all State and Federal agency actions must be consistent. In addition to the enforceable policies, the Proposed Action's consistency with the East Hampton Town Local Waterfront Revitalization Program was also assessed. The Town of East Hampton LWRP details forty-three (43) enforceable policies which aid to support and reinforce the enforceable policies detailed in the State's CMP. The analysis found that the Proposed Action is consistent with the relevant policies to the extent practicable.

Based on the EA and PSEGLI's recommendation according to the standards as set forth in SEQRA, the Proposed Action will not result in any significant adverse environmental impacts and a Draft Environmental Impact Statement need not be prepared.

For Further Information:

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