

STATE OF NEW YORK
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Matter of Finger Lakes LPG, LLC
New York DEC Application Number 8-4432-00085

Before the Honorable
James T. McClymonds
Chief Administrative Law Judge

**PETITION FOR
AMICUS PARTY STATUS**

INTRODUCTION

New York State L.P. Gas Association, Inc. (“NYPGA”), by and through its attorneys, Freeman Howard, P.C., hereby petitions for *amicus* party status in support of the Applicant in the above-captioned proceeding pursuant to 6 NYCRR Part 624.5(b)(1) and (3). In support of its request, NYPGA provides the following information to demonstrate compliance with the aforementioned New York State Department of Environmental Conservation (“Department”) regulations.

Requirements for *Amicus* Party Status

A. Fully Identify The Proposed Party Together With The Name(s) Of The Person Or Persons Who Will Act As Representatives Of The Party.

The full name of the proposed party is New York State L.P. Gas Association, Inc. (“NYPGA”). Andrew B. Howard, Esq. of the law firm Freeman Howard, P.C., will represent NYPGA. This petition is for *amicus* party status in support of the Applicant.

B. Identify Petitioner’s Environmental Interest In The Proceeding.

NYPGA’s environmental interest in the instant proceeding centers upon the role storage of propane gas at Crestwood’s US Salt Complex (“Crestwood Project”) will play in ensuring safe, efficient, cost-effective storage and delivery of propane to commercial, agricultural and residential customers in the State of New York.

Propane is not a greenhouse gas, is non-toxic, and is not damaging to soil or water ecosystems. As a clean burning fuel source, propane plays a key role in minimizing the contribution of greenhouse gases to the environment. Propane emits virtually no soot and low carbon-monoxide, hydrogen or oxides of nitrogen, which are the basic precursors of ground-level ozone (smog). Propane has been stored safely in salt caverns in the Finger Lakes region for over six decades, including salt caverns created by US Salt and its predecessors for brine production at the proposed project site in Reading, New York.

Currently, propane is not produced in New York, which requires it to be transported inefficiently by a variety of means from other states or foreign countries to meet the ever increasing demand from New York residents and businesses seeking to utilize propane as a clean burning fuel source. New York does not currently have the storage capacity necessary to meet this increasing winter demand for propane, which creates price volatility and causes New Yorkers to pay significantly higher fuel costs thereby increasing environmental impact with increased diesel emissions from transport of the product over greater distances. According to studies conducted by NYSERDA and other industry sources, if the propane storage capacity associated with the Crestwood Project had been operational, New York residential customers would have paid 43% less for their propane fuel needs in 2014. This would have collectively saved New York households more than \$100 million in propane fuel charges in the 2013-2014 winter alone. This economic harm, to a lower income residential demographic that is less likely to be financially able to absorb these increased high costs, does not reflect the higher costs paid by non-residential consumers (e.g., industrial and agriculture customers).

C. Identify Any Interest Relating To Statutes Administered By The Department Relevant To The Project.

In terms of statutes administered by the Department, given the reduced environmental impacts associated with localized propane storage and the increased diesel emissions of transporting propane long distances to satisfy New York's clear storage need, NYPGA believes that its interest is consistent with the goals of the State Environmental Quality Review Act (SEQRA), Article 8 of the Environmental Conservation Law (ECL), which focus on the minimization of environmental impacts to the maximum extent practicable. Propane has been stored safely in salt caverns in the Finger Lakes region for over six decades and can continue to be done with the Finger Lakes project. Consequently, permitting this facility is consistent with SEQRA and the interests of the NYPGA. In addition, under ECL Section 23-0301, the interest of the NYPGA is to ensure the proper implementation of the policy of the state to provide for the underground storage of gas.

D. Identify The Precise Grounds For Opposition Or Support.

As stated above, NYPGA supports approval of Crestwood's application for an Underground Storage of Gas Permit pursuant to ECL article 23, title 13, and related permit applications, because denial of said permit would:

- (1) adversely affect the State's efforts to control greenhouse emissions and to promote increased consumption of cleaner-burning fuels;
- (2) allow to continue an estimated 81.4 million gallon shortfall in propane storage necessary to meet the State's residential energy needs;
- (3) result in increased price volatility to the economic detriment of those consumers relying on propane as a fuel source and feedstock; and
- (4) be inconsistent with the State's policy to provide for the underground storage of gas

E. Identify The Nature Of The Legal Or Policy Issue(s) To Be Briefed Which Meet The Criteria of 6 NYCRR 624.4(c).

In satisfaction of the criteria set out in 6 NYCRR Part 624.4(c), NYPGA proposes to brief the policy issues concerning the positive contribution the Crestwood salt cavern storage facility would make to: (1) the State's efforts to reduce greenhouse gas emissions in such a way that localized underground gas storage would minimize environmental impacts and thereby satisfy the goals of SEQRA; (2) the State's ability to satisfy consumer energy demand in a safe and reliable manner and avoid the price volatility that has plagued the propane industry over the past several years; and (3) the need, consistent with statutory policy, for additional gas storage. Accordingly, the Part 624.4(c)(1)(i) and (ii) are satisfied.

F. Provide A Statement Explaining Why The Proposed Party Is In A Special Position With Respect To The Policy Issues To Be Briefed.

NYPGA is in a special position to brief these issues because it represents the majority of propane gas storage operators, distributors and retailers in the State of New York.

NYPGA is a not-for-profit trade association representing approximately 337 organizations that are directly or indirectly involved in all facets of the propane gas industry in the State of New York. In addition to companies directly involved in the storage, distribution and sale of propane gas, NYPGA's membership includes propane tank fabricators, heating equipment manufacturers, heating equipment sales companies, and other organizations connected with meeting the propane needs of residential, agricultural and business customers in the State of New York. As a result, NYPGA represents a broad based coalition of organizations involved in all aspects of the propane industry in the State of New York.

NYPGA regularly participates in proceedings affecting the storage, distribution and sale of propane in New York State conducted by the Department and the Federal Energy Regulatory Commission. Accordingly, it is in a special position no other party occupies.

CONCLUSION

For the reasons stated above, NYPGA respectfully requests that *amicus* status be granted in the captioned proceeding.

Dated: January 13, 2015

Respectfully submitted,
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