

STATE OF NEW YORK
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Application Of Finger Lakes LPG Storage, LLC To Construct
And Operate Galleries 1 and 2 For The Storage Of Liquefied
Petroleum Gas At Its Finger Lakes LPG Storage Facility.

Before the Honorable
James T. McClymonds
Administrative Law Judge

DEC Project Application Number: 8-4432-00085

POST-ISSUES CONFERENCE BRIEF OF THE USW

INTRODUCTION

The United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (“USW”), by its attorney, Katharine Shaw, hereby petitions, pursuant to 6 NYCRR Part 624.5(b)(1) and (3), for *amicus* status in the above-captioned proceeding. In support of its request, the USW provides the following information below to demonstrate compliance with the aforementioned Department of Environmental Conservation (“Department”) regulations.

Requirements for *Amicus* 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: United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (“USW”). Katharine Shaw, Assistant General Counsel of the USW will represent the USW. This petition is for *amicus* status in support of the Applicant.

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

The USW is a labor organization representing 850,000 workers in North America employed in many industries including, metals, rubber, chemicals, paper, oil refining, the energy sector, service sector and public sector. As such, the USW has a critical interest in promoting the development of clean energy in America, both for our jobs and our planet. The USW actively works with many of the nation's employers, labor unions, and environmental organizations to promote a clean environment and a green economy as a means of preserving collective bargaining rights and good jobs with family-supporting wages, a secure retirement, and a safe workplace.

The USW's environmental interest in the proceeding centers upon the role that storage of liquefied petroleum gas in the salt caverns at the proposed Crestwood US Salt Complex ("Crestwood Project") will play in creating approximately 10-12 permanent high-quality clean energy jobs at the Finger Lakes LPG storage facility and in supporting employment in the clean energy industry throughout the State of New York and the Northeastern United States. The Crestwood Project will help to boost the economy of the region, diversifying Schuyler County's tax base as it helps to lower propane costs for consumers and meet the energy needs of the State of New York and the entire Northeast.¹

Liquefied petroleum gas (propane) is not a greenhouse gas and is an inherently clean burning fuel due to its low carbon content. Because propane is a low-carbon, clean-burning fuel, a switch from conventional fuels to propane can result in substantial reductions of hydrocarbon,

¹ <http://energyindepth.org/wp-content/uploads/marcellus/2011/09/NYConsumerImpact-Propane.pdf>

carbon monoxide, oxides of nitrogen, and greenhouse gas emissions. In addition, propane is nontoxic, and presents no threat to soil, surface water, or groundwater.²

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). Salt caverns are ideal for hydrocarbon storage and have been used for decades all around the world to store propane and natural gas.³ A 2004 report from the FERC states that the “walls of a salt cavern also have the structural strength of steel.”⁴ Propane and natural gas have each been stored safely in US Salt’s caverns for about 20 years. Propane has also been stored without incident in salt caverns in nearby Steuben and Cortland Counties since the 1950’s.

Approximately 1,710 workers are employed in the New York propane industry. The creation of approximately 10-12 permanent jobs at the Finger Lakes LPG storage facility alone will provide a total annual economic benefit to the region of \$491,340 in base wages/salaries excluding incentive compensation and benefits.⁵ Assuming the storage facility’s final assessed value after completion at \$25 million, the Crestwood Project will generate \$617,000 in recurring annual property tax revenue assuming current rates:

Taxing jurisdiction	Rate	Revenue
County	8.381446	\$209,536
Town	3.143795	\$78,595
Reading Fire District	0.788868	\$19,722

² http://www.afdc.energy.gov/fuels/propane_basics.html

³ <http://www.dec.ny.gov/energy/93157.html>

⁴ <https://www.ferc.gov/EventCalendar/Files/20041020081349-final-gs-report.pdf>

⁵ Source: Crestwood Midstream Partners LP.

Watkins Glen Central School District	12.354890	\$308,872
Total	24.66899	\$616,725

*source: Crestwood Midstream Partners LP (\$25 million assumption); Schuyler County (existing mill rates).

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

The USW has an interest in ensuring that the Crestwood Project minimizes environmental impacts to the maximum extent practicable, as required by the State Environmental Quality Review Act (SEQRA), Article 8 of the Environmental Conservation Law, administered by the Department. The Crestwood Project is consistent with the objectives of Article 8 in that the Facility will create needed storage for propane within the State of New York, thereby reducing the environmental impacts associated with transporting propane from other locations to satisfy New York’s propane demands.

D. Identify The Precise Grounds For Opposition Or Support.

As stated above, the USW supports approval of Crestwood’s application for an Underground Storage of Gas Permit pursuant to Environmental Conservation Law (ECL) Article 23, Title 13, and related permit applications, because approval of said permit would:

- (1) result in the creation of 10-12 clean energy jobs at the Finger Lakes LPG storage facility;
- (2) promote job growth in the clean energy sector in the State of New York and throughout the Northeast as a result of the Crestwood Project’s contribution to relieving an estimated 81.4 million gallon shortfall in propane storage necessary to meet the State’s energy needs;

- (3) moderate the volatility in propane prices recently seen in the State of New York and throughout the Northeast; and
- (4) promote the State's efforts to control greenhouse gas emissions and to promote increased consumption of cleaner-burning fuels.

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), the USW proposes to brief the policy issues concerning the positive contribution the Finger Lakes LPG storage facility would make to: (1) the State's efforts to reduce greenhouse gas emissions; and (2) the State's interest in promoting job creation and growth of the clean energy sector.

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.

The USW is in a special position to brief these issues because it represents approximately 50,000 employees in the energy sector, including 100 members of USW Local 12460, representing employees of US Salt, LLC owned by Crestwood Midstream Partners LP located in Watkins Glen, NY. The USW has more than 30,000 active and retired members in the State of New York.

Propane fuel is an essential source of energy for New York residents and business owners. Compared to the overall East Coast PADD 1 region, New York State accounts for 11.2 percent of propane demand, the third largest market after North Carolina and Pennsylvania, and demand for propane fuel in New York is on a general upward trend, driven largely by expanded

residential use. In 2011, the residential sector accounted for 67.1 percent of total State demand, the commercial sector 24.1 percent, industrial 7.4 percent, and the transportation 2.3 percent.⁶ This increase in demand when coupled with the State's inadequate storage capacity has resulted in significant price fluctuation, impacting residential, commercial, industrial, and other users. Many of the USW's members are impacted by the fluctuation in propane prices either directly as consumers or as employees of businesses that utilize propane. The USW, therefore, supports the State's efforts to minimize disruptions to the supply of propane in the State, thereby promoting increased consumption of this cleaner-burning fuel.

The USW regularly participates in regulatory proceedings affecting its membership both in the State of New York and nationwide. Accordingly, it is in a special position no other party occupies.

CONCLUSION

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

Dated: April 17, 2015

Respectfully submitted,

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⁶ Source: EIA. *U.S. Imports of Crude Oil and Petroleum Products*. 2013, http://www.eia.gov/dnav/pet/pet_move_imp_dc_NUS-Z00_mbbbl_m.htm

CERTIFICATE OF SERVICE

I hereby certify that on April 17, 2015, the foregoing document was filed electronically with:

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and also served electronically on the following. A conforming hard copy was also sent by U. S. Mail, postage prepaid, where noted.

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