

South Pier Improvement Project

Public Participation Plan

Pursuant to the
New York State Department of Environmental Conservation
Commissioner Policy-29, Environmental Justice and Permitting

Astoria Generating Company, L.P.

U S P O W E R G E N

**505 5th Avenue
New York, NY 10017**

I. Project Description

The Astoria Generating Company, L.P. (AGC), a US PowerGen Company, is proposing to update the Gowanus Generating Station (GGS) with the addition of approximately 100 to 150 megawatts (MW) of new, cleaner, state-of-the-art electric generation while reducing the actual net emissions by implementing enforceable permit limits, emission control technologies, and other environmental improvements within the community.

Background

The GGS is located in the Gowanus and Greenwood load pocket. During periods of high electrical demand (peak-load), this area becomes electrically constrained and requires a significant amount of additional power to be generated within the pocket (peaking capacity) to support the electric system. The need for this additional power within the load pocket is expected to continue increasing into the foreseeable future. Currently, the existing GGS combustion turbines are utilized to meet peak-load demands and maintain the electric grid stability. The new capacity at GGS will cause the older GGS units to run less while allowing the newer, cleaner units to meet the continually growing electric demand within the load pocket.

To maintain City system reliability, and more specifically, for the Sunset Park area (Sunset Park is an electric sub-load pocket on the City's distribution grid), the existing units will not be retired. However, the existing units at the GGS as well as other units in the distribution grid are expected to run less as a result of the new installation. AGC believes that a coordinated improvement of the existing facility with the addition of new cleaner technology is the most beneficial way to meet the increasing load requirements of the area while reducing the environmental impacts of the existing facility and other displaced facilities. Therefore, operation of the newer units at GGS will result in significant environmental benefits.

AGC evaluated several improvement opportunities including enhancing or replacing the existing equipment to achieve the goals of increased capacity with decreased environmental effects. To assess the addition of incremental capacity, AGC performed a technical review of the site by commissioning an Engineering firm to evaluate the feasibility of locating additional peaking capacity at the GGS. Potential areas for new equipment were identified. Layouts of the maximum capacity that could fit on the locations were determined. The primary items that were optimized were the ability to avoid potential aquatic impacts, minimizing interference with the existing operations, and minimizing other environmental concerns such as visual impact and water use.

As a result of the AGC evaluation, the following project parameters have been determined:

1. The optimum location is land based on the existing south pier.
2. Configurations of up to 3 General Electric (GE) LM6000 PD Sprint units with the lowest stack heights possible to achieve ambient air quality standards.

See attached Figures 1 and 2.

The Improvement

Fluctuations in electrical load require that NYC have additional quick start generation capability. The South Pier Improvement Project consists of two distinct components, the installation of two or three GE LM6000 PD Sprint combustion turbines and an emissions reduction strategy for the existing electric generating equipment. The Improvement will be built on the south pier of the GGS within a Significant Maritime Industrial Area (SMIA). The new units will be provided with architectural treatment to meet similar design objectives of the Brooklyn waterfront

redevelopment. The GE LM6000's will be dual fuel capable and burn natural gas as a primary fuel and ultra low sulfur distillate oil as backup fuel to be used for up to 720 hours annually.

All of Kings County, NY, including the GGS, is located in a non-attainment area for ozone (O₃) and particulate matter (PM_{2.5}). The United States Environmental Protection Agency defines non-attainment areas as regions in which air pollution levels persistently exceed National Ambient Air Quality Standards. The Improvement will not trigger review under Prevention of Significant Deterioration or Non-attainment New Source Review regulations because AGC will commit to enforceable permit restrictions that limit new emissions to levels below significant increase thresholds.

Benefits of the Project are that it will provide additional cleaner electric generation while reducing the actual net emissions for carbon monoxide (CO), particulate matter PM_{2.5}, PM₁₀, and nitrogen and sulfur oxides (NO_x and SO_x), which are precursors to PM_{2.5} formation. NO_x is also a precursor to ozone formation. Potential emissions resulting from the additional generation capacity will be offset by implementing some or all of the eight strategies described in the list below. These actions will fully address community concerns and ensure that air emissions will be reduced by a combination of methods which may include but are not limited to:

1. Permit caps on the total emissions for new equipment.
2. Permit caps on the total emissions from oil-firing for both the new and old facility.
3. Permit cap on sulfur content of the oil for both the new and old facility to reduce SO_x and PM.
4. Installation of control technology on existing combustion turbine(s) for reduction of NO_x.
5. Installation of control technology on existing combustion turbine(s) for reduction of CO.
6. Reduction in total emissions for existing equipment to reduce PM as well as all other emissions.
7. AGC funded community projects to reduce local PM emissions and/or impacts.
8. Permit caps on emissions from other regional, company owned facilities.

AGC has completed a preliminary interconnection study that has determined that the capacity can be interconnected to the Gowanus substation. The Gowanus substation is adjacent to the GGS and the proposed interconnection point directly supplies the Greenwood substation.

Though no significant adverse environmental impacts are anticipated as a result of the project, AGC will voluntarily prepare and submit a Draft Environmental Impact Statement (DEIS) in order to fully address potential community concerns, including Environmental Justice issues. The DEIS will also include an alternatives analysis.

II. Other AGC Assets within the Community

One of the several emissions reduction strategies under consideration by AGC is the voluntary placement of permit caps on emissions from other company owned facilities in close proximity to the GGS.

Currently, AGC owns three electric generating facilities within the confines of New York City including the GGS, the Narrows Generating Station (NGS, also located in the Sunset Park area of Brooklyn), and the Astoria Generating Station (located in Astoria, Queens). Voluntarily placing enforceable permit caps on emissions from these other regional, company owned facilities is one of the actions that is available to AGC to effectively offset emissions that result from the

proposed new units at GGS. The emission reduction options under consideration are listed in the above project description.

In accordance with Commissioner Policy 29 (CP-29) New York State Department of Environmental Conservation (NYSDEC), the sections that follow outline the steps AGC will undertake to inform the local community and the broader public about the project and to invite vigorous participation in the permitting and environmental review processes.

Relevant Geographic Context

The GGS and the NGS lie along the waterfront in the Sunset Park neighborhood of Brooklyn. NYSDEC has identified the Sunset Park community as a Potential Environmental Justice Area (PEJA). Therefore, AGC has reviewed the CP-29 guidelines in preparing a proactive, enhanced program for engaging community organizations and residents in the Sunset Park area.



AGC recognizes that this Project takes place within a neighborhood context where priorities and plans for future development have been established by active community stakeholders. Notably, the Community Board has produced a draft 197A plan that establishes a framework for revitalization of the Sunset Park waterfront. In addition, the Brooklyn Greenway Initiative and the Sunset Park Greenway-Blueway are part of an effort to develop a safe, landscaped off-street route along Brooklyn's waterfront. Every effort will be made to accommodate these existing plans and efforts.

III. AGC Contact and Central Communication

AGC will establish a website specifically for the South Pier Improvement Project. The website will provide:

- Reports and analyses on the South Pier Improvement Project;
- Preparatory materials for public briefings and meetings;
- Fact sheets and Frequently Asked Questions (FAQs) in the languages predominant in the Sunset Park area;
- Summary reports from public meetings;
- Regular reports to NYSDEC on implementation of the Public Participation Plan;
- Draft and final Environmental Impact Statements (EIS) as they are completed;
- Contact information for AGC representatives;
- Functionality for receiving and posting public comments on the Improvement.

For those who do not have access to the internet, documents will be placed in convenient repositories and there will be a toll-free number set up to receive comments and questions.

On a monthly or bi-monthly basis, the schedule to be agreed upon with Stakeholders, AGC will prepare progress reports, as further discussed in Section VII below, which will summarize the outreach activities during the previous period and respond to comments and questions collected on the website or by phone. Summary responses to major themes and issues raised on the website may be addressed, as appropriate, at public meetings described in detail below.

The primary contact and leader of this process for AGC will be:

David Perri
Astoria Generating Company, L.P. a US PowerGen Company
505 Fifth Avenue, 21st Floor
New York, N.Y. 10017

IV. Stakeholders

A draft set of Stakeholders is attached as Appendix A. It includes those organizations listed in on the NYSDEC website as organizations active in environmental justice in Brooklyn, supplemented with local elected officials, local institutions and other organizations intended to provide wide coverage of a community that is ethnically, socially and religiously diverse. It also includes the offices of the Mayor and the Governor, US Congressional members, and appropriate

environmental organizations. As necessary, the list will be supplemented as the project proceeds and will be divided into Primary and Secondary Stakeholders, as described in NYSDEC guidance, or other subgroupings as suggested in initial meetings. Except for meeting notices which will be sent via email and US mail as described below, each Stakeholder will be asked whether they prefer to receive materials via email or US mail.

V. Meeting Postings and Notifications Relative to Permitting Process

For distribution of information about public meetings as well as background and follow-up documentation, AGC will follow the procedures outlined below.

Notification

Meetings will be announced at least three weeks in advance via email and US mail to the Stakeholder list and postings on the AGC and Community Board 7 websites. Public notice of the meetings will also be given in appropriate local weekly newspapers, one daily newspaper of general circulation and, if required, the Environmental Notice Bulletin.

Timing

Meetings will be scheduled for weekday nights that do not coincide with major religious or secular holidays, after working hours, generally during the period between 6:00 and 9:00 pm, unless otherwise determined as a result of discussion with Stakeholders.

Location:

AGC will work with Stakeholders to select a location optimally suited for community participation. Marien Heim Apartments is ideal in terms of size and central location. Community Board 7 and Lutheran Hospital's Harbor Hill building are other common locations for community-wide meetings.

Translation

Translation into Spanish, Chinese and Arabic will be made available at meetings upon request. At Stakeholders request, AGC will arrange for a briefing on the DEIS in one of these three predominant non-English languages.

Basic meeting materials - fact sheets, FAQs and meeting announcements - will be produced and distributed in all four predominant local languages.

Preparatory Materials

Background materials prepared for public meetings will be mailed to the Stakeholder list via email or US mail, as preferred, at least a week in advance of the meeting in question and posted on the AGC website. For the first briefing and subsequent public meeting, these materials will include:

- A brochure and FAQ explaining the South Pier Improvement Project;
- A permitting schedule;
- An explanation of the proposed Public Participation process.

The DEIS will be released before the second public meeting and the final EIS prior to the third (see schedule below).

As necessary, AGC may also include responses to specific inquiries or concerns that have arisen in postings on the website or by phone.

Summary and Follow-Up Information

A transcript in English of the proceedings at each public meeting will be prepared and posted on the AGC website.

Following public meetings, a set of follow-up documents will be mailed to those participants who sign in via e-mail or US mail, as preferred by the participant, and posted on the AGC website. These documents, which may be made part of the next scheduled progress report as required in Section VII below, will include

- A meeting summary and/or minutes;
- Responses to specific issues or concerns raised during the meetings;
- Updates on AGC's work and on the public outreach process;
- Reminders and/or revisions to the meeting schedule, time or location.

VI. Public Briefings and Dialogues

The meetings described below capture only the more structured elements of Public Participation. AGC anticipates a dynamic process that will include additional meetings as circumstances dictate, the development of working groups for specific tasks if necessary, and informal meetings with individual stakeholders or subgroupings of community representatives. AGC's primary representative will stand ready to respond to questions and concerns on an ongoing basis. To the maximum extent, formal and informal engagement with the community will be documented and included in reporting.

1. Formal Briefing Prior to State Environmental Quality Review (SEQR) Scoping Meeting

Late October, 2007

AGC will hold a formal briefing on its plans for the GGS with elected officials and key stakeholders with a role in protecting the local environment such as Lutherans Hospital, United Puerto Rican Association of Sunset Park (UPROSE) and others. Participants will be asked to review and comment on the draft list of Stakeholders (Appendix A) and on the public outreach process proposed in this document. The further meetings below represent major milestones in the SEQR process. Participants in this initial briefing will be asked to consider whether any additional forum or representative working group would be helpful. The outreach process will be updated based upon their comments.

In addition, Stakeholders will be invited to tour the GGS and NGS for a direct experience of the existing units and the location and impact of the modernized generators.

2. Public Meeting 1: SEQR Scoping Process

Early November, 2007

Representatives of AGC will present in detail the plans for the South Pier Improvement Project and outline the anticipated impacts on local energy systems and the environment. They will also review in detail the SEQR process and the permitting schedule. The meeting will provide an opportunity for community organizations to discuss impacts of the South Pier Improvement Project on their constituents among the diverse array of Sunset Park religious, social and ethnic groups. The SEQR scoping process establishes the environmental issues that the DEIS will focus on, the

methodology to be used, and the parameters for study of alternatives and mitigation strategies. While the lead agency will circulate the scope for public comment, this first public meeting will provide a formal vehicle for discussion and gathering of public input that will shape the scope of the EIS.

Stakeholders will also comment on AGC's plans for further public outreach. Following the meeting, the outreach plan will be revised to reflect stakeholder input. Once finalized, the final DEIS scope will be circulated to Stakeholders. AGC may invite the key stakeholders to play an active role in later public outreach meetings. A further invitation to tour the GGS and NGS will be extended to participants.

A draft scope will be circulated in advance of the public meeting as discussed in Section IV above.

3. Public Meeting 2: Draft EIS April, 2008

AGC will hold a meeting to discuss the results of the DEIS for the South Pier Improvement Project. The DEIS will be shared in advance of the meeting, as well as fact sheets translated into predominant neighborhood languages conveying the results in summary form.

At the meeting representatives of AGC will give a presentation that conveys the results of the DEIS in a concise format. Participating stakeholders will be divided into break-out groups for facilitated small group discussion. At the end of the meeting, output from small discussion groups will be shared in summary form with the full assembly of participants.

4. Public Meeting 3: Final EIS October, 2008

When the final EIS is complete, AGC will host a final meeting to present the results and take any comments that may be taken into consideration in permitting and, should the permit be received, in implementation.

As discussed above, each of these meetings may be preceded or followed by additional informal meetings with key stakeholders in person and via teleconference. These outreach efforts will be documented and included in reporting.

VII. Document Repositories

Full documentation, covering every public document produced for the South Pier Improvement Project and transcripts of public briefings, will be stored at Community Board 7 and at the public libraries located at 5108 4th Avenue in Sunset Park and 7 Wolcott Street in Red Hook. The same materials will be made available on the AGC website. Stakeholders, as well as other interested parties, will be encouraged to store in the same locations any documents they produce pertaining to the permitting of the South Pier Improvement Project so that the repositories include documentation of the full public dialogue.

VIII. Progress Reports

AGC anticipates written updates to the Lead Agency monthly or bi-monthly. The reports will include any public documents produced during the previous period, transcripts of any formal public meetings, descriptions of other outreach activities, and any other work completed in the permitting process. The progress reports without the bulky attachments will be mailed to

Stakeholders via email or US mail, as preferred. The progress reports with all attachments will be posted on the AGC website and placed in the repositories.

IX. Final Report

Upon receipt of the permit, AGC will prepare a final report on public participation in the permitting process with the full record of documents produced for the process and transcripts of meetings included as appendices. If permits are received and work proceeds on schedule, AGC anticipates completion of this report in mid-2010.

A summary of the report will be mailed to the Stakeholder list via email or US mail, as preferred.