Smart Growth Impact Statement

Project Name: New 13 kV Underground Feeder Cable from Southold 8J Substation through Village of Greenport to Shelter Island Project ("Project")

Location: Town of Southold and Town of Shelter Island, New York

Below is an analysis of why the Project meets the smart growth criteria set forth in § 6-0107 of the State Smart Growth Public Infrastructure Policy Act (Infrastructure Act):

a. Advance Projects for the Use, Maintenance, or Improvement of Existing Infrastructure:

The Project meets this criterion because it improves the use of existing infrastructure by increasing the capacity and reliability of the existing transmission and distribution system in the area. The proposed substation is required to ensure an adequate and reliable power supply to Village of Shelter Island Heights. Further, the proposed underground cable increases capacity while improving provision of electrical service during storm events.

b. Advance Projects located in Municipal Centers:

The Project reinforces the electrical system on Shelter Island, in conformance with the LIPA mandate for reliability and resiliency of the electrical transmission system. As evidenced by recent electrical power outages in Shelter Island, the existing facilities would not be able to meet mandatory reliability parameters without the proposed improvement. The Project will allow the existing Shelter Island community to maintain existing development and consider new development.

c. Advance Projects in Developed Areas or Areas Designated for Concentrated Infill Development in a Municipally Approved Comprehensive Land Use Plan, Local Waterfront Revitalization Plan and/or Brownfield Opportunity Area Plan:

This criterion is not relevant to the Project.

d. Protect, Preserve, and Enhance the State's Resources, including Agricultural Land, Forests, Surface and Groundwater, Air Quality, Recreation and Open Space, Scenic Areas, and Significant Historic and Archeological Resources:

In 2010, Shelter Island was supplied by three distribution feeds. In 2011 and 2012, one of these feeder cables failed, leaving Shelter Island at risk in events of peak load or other cable failures. Power failures are expected to occur during peak events in the summer season, and may also occur if there is a failure of the two active distribution feeder cables. The Project meets the above criterion because without the installation of a new underground cable, which will provide a sufficient and reliable supply of electricity to the Town of Shelter Island, the emergency diesel generators on standby in Shelter Island Heights would have to be in service in the event of power failures. Diesel generators have the potential to impact the local environment due to elevated noise levels of the engines and generation of air pollutant emissions. Diesel-powered engines produce nitrogen oxides (NOx) and particulate matter (PM). In addition, this emergency as an

alternative to the critical electrical power situation is not economically sustainable. The cost to have this equipment on standby alone (not including operation, maintenance and fuel costs) is approximately 850,000 dollars per year, with associated operation costs at approximately 100,000 dollars per week.

e. Foster Mixed Land Uses and Compact Development, Downtown Revitalization, Brownfield Redevelopment, the Enhancement or Beauty in Public Spaces, the Diversity and Affordability of Housing in Proximity to Places of Employment, Recreation and Commercial Development and the Integration of all Income and Age Groups:

Much of this criterion is inapplicable to the Project because it is not directly designed to foster the foregoing. To the degree this criterion is applicable, the Project meets this criterion for the reasons set forth at (c) above.

f. Provide Mobility through Transportation Choices including Improved Public Transportation and Reduced Automobile Dependency:

This criterion is not relevant to the Project.

g. Coordinate Between State and Local Government and Intermunicipal and Regional Planning:

The Project meets this criterion because it was designed to be as consistent with local and regional planning as practicable. The Project also meets this criterion because PSEG Long Island, as service provider for the Long Island Power Authority (LIPA), will coordinate with the NYS Department of Transportation, NYS Department of Environmental Conservation, the US Army corps of engineers, and other agencies as necessary to ensure compliance with all regulatory requirements. Further, PSEG Long Island, as agent for the Long Island Power Authority (LIPA), had discussions throughout Project planning, and held meetings with the following entities: Shelter Island Heights board members and residents, meetings on October 30, 2015, December 5, 2015, March 7, 2016 and August 8, 2016; Village of Greenport board members and residents, meetings on July 20, 2015 and July 31, 2015; and both Shelter Island Heights and Greenport board members, meetings on June 13, 2016 and August 10, 2016. Shelter Island Heights' members included Stella Lagudis (General Manager of the Board of Directors), Lois, a resident and board member, Kimberlea Rea (Area Counsel), and Bridg Hunt (North Ferry General Manager). Village of Greenport's members included Mayor George Hubbard, Sylvia Pirillo (Village Clerk) and Joe Prokop (Area Counsel).

h. Participate in Community Based Planning and Collaboration:

The Projects meets this criterion because the Long Island Power Authority (LIPA), with and through PSEG Long Island as Agent, is involved with the local communities on Long Island and develops its energy plans, including transmission and distribution plans, in response to the local needs on Long Island and with public input. In addition, PSEG Long Island held discussions and meetings with Shelter Island Heights and Village of Greenport board members and residents, and described in part g. Prior to Project construction, community letters and fact sheets about the Project will be distributed to the area residents and businesses.

i. Ensure Predictability in Building and Land Use Codes:

LIPA is not subject to local building and land use codes. Therefore, this criterion is not relevant to the Project.

j. Promote Sustainability by Strengthening Existing and Creating New Communities which Reduce Greenhouse Gas Emissions and Do Not Compromise the Needs of Future Generations, by Among Other Means Encouraging Broad Based Public Involvement in Developing and Implementing a Community Plan and Ensuring the Governance Structure in Adequate to Sustain Its Implementation:

This criterion is not relevant to the Project.

k. Mitigate future physical climate risk due to sea level rise, and/or storm surges and/or flooding, based on available data predicting the likelihood of future extreme weather events, including hazard risk analysis data if applicable:

This criterion is not relevant to the Project.

Prepared By
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LONG ISLAND POWER AUTHORITY

Smart Growth Impact Statement

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Location: Town of Southold and Town of Shelter Island
Now therefore, pursuant to ECL Article 6, this Project is compliant with the New York State Smar Growth Public Infrastructure Policy Act, to the extent practicable, as described in the attached Smar Growth Impact Statement.
Long Island Power Authority
Thomas Falcone Date Chief Executive Officer