Michael Reese, Regional Director  
Mohawk Valley Regional Economic Development Council  
207 Genesee Street, #1604  
Utica, NY 13501

Re:  Compressed Natural Gas Project (Oneonta, New York)  
CFA Grant Application #84358

Dear Mr. Reese and others,

I have been retained to represent a group of residents from Oneonta and Otsego County in regard to Consolidated Funding Application #84358, which has been submitted by the Otsego County Industrial Development Agency (“Applicant”) to the Regional Economic Development Council for consideration. This grant application, which relates to the proposed construction of a compressed natural gas (CNG) receiving station (or “decompressor” station), contains inaccurate, incomplete, and misleading information that should disqualify it from consideration.

These matters are detailed in the enclosed critique of the answers that were provided by Jody Zakrevsky on behalf of the Applicant to questions in the grant application questionnaire. As discussed in the enclosed critique, Mr. Zakrevsky has presented two opposing stories: one to the public and elected officials, and the other in his grant application. Given that existing natural gas infrastructure in the region operates at a fraction of its full capacity most of the time and that only a few interruptible customers are impacted for less than a few days a year, the need for this proposed CNG project cannot be justified. Moreover, the project is inconsistent with the State’s goals of reducing greenhouse gas emissions and leading the fight against climate change, as well as with the Oneonta Town Code. Mr. Zakrevsky’s proposal has been prepared without transparency, quality planning or public engagement.

We ask that the Regional Economic Development Council(s) carefully consider the enclosed information and not award funding for this proposed project.
Thank you for your attention to this matter.

Sincerely,

Claudia K. Braymer

enc.

cc: Robert Wood, Town of Oneonta Supervisor
    Town of Oneonta Board Members
    Rob Panasci, Town of Oneonta Attorney
    Andrew Stammel, Town of Oneonta County Board Representative
    Gary Herzig, City of Oneonta Mayor
    Karen Sullivan, Otsego County Planning Director
    Otsego County Planning Board
    Jody Zakrevsky, Otsego County IDA and Otsego Now
    Board of Directors, COIDA and OCCRC
    Hon. Kathy Hochul, Chair of the NYS Regional Economic Development Councils
    Donna Howell, Regional Director, Southern Tier Regional EDC
    Jen Gregory, Executive Director, Southern Tier 8 Regional Planning Board
    Kristina Johnson, Chancellor of the State University of New York
    Rachel Kornhauser, Sustainability Coordinator, SUNY Oneonta
    Hon. James L. Seward
    Hon. William Magee
    NYS Public Service Commission
    NYS Department of Transportation
We respectfully request that the Regional Economic Development Council reject CFA grant application #84358 submitted by Jody Zakrevsky of Otsego Now for the Otsego County Industrial Development Agency (IDA). This grant application, which relates to the proposed construction of a compressed natural gas (CNG) receiving station, contains inaccurate, incomplete, and misleading information that disqualifies it from consideration. These matters are discussed in the following critique of answers provided by Mr. Zakrevsky to questions in the grant application form. We note that many questions were not answered at all.

The Regional Economic Development Council should also recognize that this proposed project, which increases the transport of highly-compressed natural gas by tractor trailer, is widely opposed in Otsego County. Please see the video at the following link, which documents Mr. Zakrevsky's unsuccessful attempt to justify the project to the public and Oneonta Town Board on August 8, 2018:

https://www.youtube.com/watch?v=vJzLW0B2wgM

As discussed herein, Mr. Zakrevsky states on the public record that he does not actually know what the project is that will be constructed or how much it will cost—essentially admitting to providing information in his application that is misleading in order to extract the maximum awardable CFA funding. On one hand, he calls the project's $17,500,000 price tag "ridiculous" and suggests that operations would involve only a couple of trucks per day for only a couple of weeks a year. On the other, his application defends that figure and calls for a facility to increase the amount of gas flow into the region by approximately 25%. This translates to a continuous "virtual pipeline" of tractor trailers delivering gas to the facility throughout the year. As seen in the video, many people spoke after Mr. Zakrevsky's presentation, all in opposition to the project and in favor of energy solutions that require less fossil fuels, not more.

Also enclosed with the following detailed critique are three attachments: an assessment of greenhouse gas impacts associated with the consumption of fuel oil compared to natural gas by Dr. Robert Howarth of Cornell University; a statement by the Executive Director of the Otsego County Conservation Commission regarding that organization's position; and a description of serious safety, regulatory, and financial problems associated with Xpress Natural Gas (XNG), a company that currently hauls compressed natural gas through Otsego County by way of a "virtual pipeline" of tractor trailers that run continuously between Forest Lake, PA and Manheim, NY. As we discuss, this is clearly not the type of business operation that the Economic Development Council should reward.
CRITIQUE OF ANSWERS PROVIDED BY MR. ZAKREVSKY OF OTSEGO NOW

Q_3118  Does the proposed project budget include a 10% cash equity contribution from the Applicant?

The answer provided is yes; however, according to the proposed budget on pages 26 to 27, there is no 10% contribution identified from the Otsego County IDA, which Mr. Zakrevsky identifies as the applicant. The proposed budget identifies $3.5 million (20%) from the requested CFA grant and the remainder from NYSEG, for a total of $17.5 million. The applicant has made no monetary commitment to the proposal, so a grant cannot be awarded.

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Q_928  Project Street Address

A single address is provided, but seven potential locations are mentioned elsewhere in the application. The application refers to a preferred site, but it is unclear that a $17.5 million project would be limited to just one. The answer to Q_972, below, also identifies two counties (Otsego and Chenango). Ambiguity and lack of information regarding the proposal suggests a speculative "fishing expedition" for government money at the behest of the CNG transport company that would benefit from the construction of facilities at public expense.

Q_972  Project county or counties

See comments on answer to Q_928 above.

Q_1034  Project ZIP code.

A single zip code is provided, which is for the Oneonta area. No zip code is provided for the Chenango County location or locations.

Q_616  For more than one project location, please provide full address(es) for each location. If Not Applicable, indicate "NA".

The answer provided is "Not Applicable." However, this is inappropriate. Elsewhere in the application, seven sites are mentioned. Therefore the response to this question should include the addresses of those other locations.

Q_3762  Does your project directly address the needs of people in your region who are living in poverty and who seek resources in the economic life of New York State?

Mr. Zakrevsky answers "yes." However, no explanation whatsoever is given to justify this claim. This would require answering the two directly-related questions regarding people living in poverty that follow (Q_3763 and Q_3764), which have not been answered.
Q_3763  How does your project seek to apply CFA funds for the purpose of eliminating barriers to skilled employment by poor people in your region, as identified in the Opportunity Agenda? Please describe any efforts to collaborate at the local or regional level (i.e. public, private, labor, philanthropic sectors).

No answer is provided. See above. Failure to answer indicates no benefit to the elimination of barriers to skilled employment by people living in poverty and no collaborative efforts.

Q_3764  How does your project build workforce development programs, improve physical infrastructure, and/or establish social services that connect people living in poverty in your region with skilled employment, in correspondence with the economic vitalization priorities, distressed community targets, and the industry growth areas identified in the Opportunity Agenda and Strategic Plan.

No answer is provided. See above. Failure to answer indicates no benefit to the creation of skilled employment by people living in poverty.

Q_4200  Does your project provide opportunities for Veterans to participate in the workforce, or improve services to the Veterans and military families in New York?

See below.

Q_4201  If Yes, please explain how your project impacts the Veterans and military families in New York.

The answer given is that the project would provide additional gas for businesses to grow and that this would create employment for Veterans. However, this is a generic response that could be attributed to any type of project or growth. There is no indication that Veterans would benefit any more or less than any other demographic group with the proposed project. See other comments regarding job creation herein.

Q_6048  Does your project advance downtown revitalization?

See below.

Q_6047  If Yes, please detail how it will attract and retain residents, visitors, and businesses and transform neighborhoods.

No required "detail" is provided in this response to downtown revitalization. Indeed the response given is inaccurate, vague, and hyperbolic. Mr. Zakrevsky’s writes: "There is no supply of natural gas for businesses in Oneonta of Otsego County or of Norwich in Chenango County." This is untrue. Oneonta and Norwich are presently served with gas through an existing pipeline that operates at an average capacity of 60%. A small number of users are designated as "interruptible," and these have adequate backup fuel for the few hours out of the year during which their gas service is curtailed. As such, the current system is capable of retaining residents, visitors, and businesses to downtown Oneonta, as capable of attracting new businesses that can redevelop existing space currently served with gas in the downtown area. Mr. Zakrevsky's blanket assertion that redevelopment of downtown Oneonta simply "cannot occur" without the proposed project is unsubstantiated. In fact, it is disproved by successful redevelopment efforts that Otsego Now has supported itself through other projects in the downtown area. The question specifically asks for detail on how

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1 Mr. Zakrevsky even acknowledged during his presentation to the Oneonta Town Board of April 8, 2018. See video at: https://www.youtube.com/watch?v=vJzLW0B2wgM
businesses and neighborhoods would be transformed, but Mr. Zakrevsky simply states "businesses and neighborhoods will undergo a transformation." This is non-responsive.

Not to be confused with "downtown revitalization" and redevelopment, the issue of large-scale growth—such as new industry or development along the Oneonta south-side commercial corridor—requires comprehensive planning to determine the most appropriate type of growth that is compatible with the area and available resources. A reactive, knee-jerk approach that presumes conventional development and an ever-increasing dependency on fossil fuels runs contrary to state energy goals, sells Otsego County short, and abrogates our collective responsibility as public servants, residents, and corporate citizens to provide for a sustainable future.  

Q_575  

Project Description

Mr. Zakrevsky's description of the proposed project directly conflicts with statements he has made repeatedly on the public record and to the press. Publicly, he has said that the purpose of the project is to address "interruptible" service, whereby SUNY-Oneonta (SUCO), Fox hospital, and Lutz Feed are asked to burn fuel oil for a few days each year. In so doing, he has claimed that the project would merely provide for the delivery of natural gas into Oneonta using a couple of trucks each day for a couple of weeks during the winter. In sharp contrast to this, Mr. Zakrevsky writes in his grant application that the project is intended to increase the amount of available gas by 25% over the current carrying capacity of the Deruyter pipeline. This would require dozens of tractor trailers traveling between Oneonta and Pennsylvania daily throughout the year—a "virtual pipeline" of gas transported by truck. Significantly, the $17.5 million price tag is comparable to a facility that is even larger than the Manheim XNG station in Herkimer County which receives between 40 and 100 tractor trailers daily.

During the recent Town of Oneonta public meeting on August 8, 2018, Mr. Zakrevsky admitted that an oversized facility was specified in the grant application in order to maximize the amount of state funding receivable, $3.5 million, which amounts to 20% of the $17.5 million proposed. However, he also stated during the meeting that he does not believe a facility of this size would be built or is necessary. In fact, Mr. Zakrevsky actually said, "We don't know where that number ($17.5 million) came from. But it's the only number we have to stick in an application with NYSEG's name on it. Do we agree with that number? No, we think it's ridiculous." This is extremely important since Mr. Zakrevsky unequivocally states later in the grant application that $3.5 million is required and that "Without the full 20% of the project costs, this project can not proceed." (See Q_3175.) Why has Mr. Zakrevsky written that no less than $3.5 million will suffice while publicly claiming to support a smaller project? If a smaller facility is built, will Otsego Now reimburse the balance of grant money in excess of 20%?

If Otsego Now does not intend to develop a $17.5 million facility, then Mr. Zakrevsky is attempting to deceive the Economic Development Council by inflating costs to extract $3.5 million of government money. On the other hand, if Otsego Now does intend to build a large facility, he is deceiving the Town of Oneonta and public. One party or the other is not being told the truth. Significantly, Mr. Zakrevsky has certified under penalty of criminal prosecution and perjury that all of the information he has submitted in the grant application is accurate. (See Q_1038 and Q7341.) The fact that Otsego Now's grant application contradicts

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2 See 2015 NYS Energy Plan goals for greenhouse gas reduction, renewables, and efficiency:  

3 See video of August 8, 2018 Town of Oneonta public meeting (10:50 minute mark):  
https://www.youtube.com/watch?v=vJzLW0B2wgM
his public testimony before the Town of Oneonta is a serious legal and ethical matter—one that precludes awarding of any grant.

We also observe that Mr. Zakrevsky's description essentially describes the proposal as a NYSEG project, designed under contract with NYSEG by LaBella Associate Engineers. If it is indeed a NYSEG project, then NYSEG should have applied as the applicant, not the Otsego County IDA. If, on the other hand, NYSEG is prohibited from applying for a CFA grant, then it would appear that the application is a contrivance intended to circumvent that rule. As stated in the CFA application form, the "applicant" is required to contribute at least 10% to the project, which has not been budgeted by the Otsego County IDA. These discrepancies further undermine the application and should prevent an award from being granted.

Finally, in his description of the project, Mr. Zakrevsky states that NYSEG intends to replace the Deruyter pipeline within 10 to 12 years. However, NYSEG estimated in its Five Year Capital Investment Plan for 2017-2021 that this could be accomplished in only three years. In fact, replacement of the Deruyter line was included in the NYSEG rate case that the PSC approved in 2016 (case no. 15-G-0284). More recently, Mr. Zakrevsky has said that NYSEG will replace the 25-mile Deruyter line over five years at a rate of five miles per year.

Mr. Zakrevsky has said that the proposed CNG project will no longer be needed after the Deruyter pipeline is replaced. But if that is so, how does it make sense for tax-payers and rate-payers to spend $17.5 million on a project that will become a stranded asset just a few years after it is built? Are there undisclosed plans for the facility after the Deruyter line is replaced (for example converting it into a gas compression and CNG distribution hub that further proliferates fossil fuel)? Or does NYSEG no longer intend to replace the pipeline? We note that the Deruyter replacement is no longer mentioned in NYSEG's Five Year Capital Investment Plan for 2018-2022. These are all questions that demand answers.

Q_976 Statement of Need

See comments on the project description above. Mr. Zakrevsky's statement of need, based on a desire to serve large-scale industrial customers with 25% more gas in two counties, is inconsistent with his public claims that the proposed project would be a small facility that receives only a couple CNG trucks for a few days in the winter. Moreover, it is presumptive to assert that providing for "new large gas demands, such as industrial customers" is the only or best way for the region to prosper. A comprehensive planning effort is sorely needed to determine the best strategy for promoting business and the extent which that should involve additional light industry, heavy industry, commercial, office, or agricultural uses. In the absence of this, it is irrational to suggest that the region must have 25% more gas. Importantly, meeting state goals affecting greenhouse gas emissions, renewable energy, and efficiency will require burning less fossil fuels in the future, not more. Therefore, any strategy for growth must incorporate this objective into its plan.

With respect to the immediate needs of interruptible customers, a convincing case has not been made for the proposed project either. According to NYSEG, none of the seven entities identified by Mr. Zakrevsky as

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"interruptible" were interrupted for five or more days each year over the last three years.\(^7\) So this hardly constitutes an energy crisis. Furthermore, alternatives may exist to avoid even these short-term events. For example, as previously mentioned, the Deruyter line operates on average at 60% of capacity. Therefore providing a limited amount of storage at the site of large interruptible users could allow those users to collect gas from the local network during non-peak intervals and consume it later, thereby avoiding curtailment. (There may be resiliency benefits to this too.) Supplemental compression within the local Oneonta gas network using small electric-driven compressors might also be a solution. In fact, such an alternative was supported by NYSEG and approved by the PSC for the Town of Lansing, NY.\(^8\) Although typically considered for electricity, "demand response" measures could provide another method of reducing peak gas loads as well.\(^9\)

Looking to the future, renewable energy, efficiency, and low-carbon alternatives will have to be aggressively pursued within the region. This includes not only wind and solar power for electricity generation, but also alternatives to combustion heating. Geothermal technology, air-source heat pumps, and thermal-advantage load sharing are all mechanisms to heat (and cool) buildings more efficiently and without fossil fuels. Furthermore, with improved insulation and sealing of occupied spaces, the amount of energy required for heating and cooling is substantially reduced.

Institutions like SUNY-Oneonta have an opportunity to demonstrate leadership in this regard. Significantly, Kristina Johnson, the new Chancellor of the State University of New York has pledged to dramatically cut greenhouse gas emissions at campuses throughout New York, setting a goal of achieving a zero-net-carbon footprint as soon as possible.\(^10\) If SUNY-Oneonta intends to contribute to that effort, it will need to find ways of substantially reducing its dependency on fossil fuels, including natural gas. The Bassett Healthcare


\(^8\) See https://www.marketscreener.com/IBERDROLA-355153/news/Iberdrola-PSC-Approves-Construction-of-NYSEG-Gas-Pilot-Project-25526988/ ; Regarding the Lansing project, PSC Commissioner John B. Rhodes said: "Our decision today is based, in part, upon New York’s goals along with the significant public input we received from the local community keen to protect the environment and reduce the community’s greenhouse gas emissions. With the environment in mind, this pilot project is intended to boost the gas distribution system's ability to maintain reliable supply without the need to build a new gas pipeline."


In her speech, Chancellor Kristina Johnson said: "The United States has to get a grip on our carbon emissions, and SUNY, as an engine of innovation, has a major responsibility to lead," she said. "Certainly our students, who are highly committed to sustainability, want and expect us to lead."

See also WAMC article: http://www.wamc.org/post/suny-chancellor-outlines-vision-foresees-zero-carbon-system


Chancellor Johnson said: “With SUNY’s 2,300 buildings – 40 percent of state-owned buildings – and a world-class team of researchers and energy experts at both NYSERDA and SUNY, we can test cutting-edge solutions on SUNY campuses to see what works best to reduce energy consumption, greenhouse gas emissions, and energy costs. When we find what works, we can expand solutions to the communities we serve.”
Network is also instituting an efficiency program, which is applicable to Fox and should be encouraged. Taking appropriate steps to reduce energy consumption regionally can also free up gas capacity for certain industrial processes that are less able to avoid fossil fuel consumption.

(See also discussion of greenhouse gas emissions in comments on Q_1062 below.)

Q_930 Explain what makes your project a regional economic priority - for example creating jobs, economic investment, sustainability and community revitalization, government efficiency or consolidation, etc.

See previous comments. The claim of 25% increase in gas flow is entirely inconsistent with Mr. Zakrevsky's public statements regarding scale of the project. No documentation has been provided regarding the referenced manufacturing company from China to ascertain the credibility of that purported loss. Nor has any consideration been given to alternative means of promoting economic development or jobs without consuming substantially more gas. Development of light industry, commercial, and office uses are all viable alternatives that can be pursued with little or no gas-fired combustion. It should be also be noted that the propose de-compression facility is likely to create few if any permanent local jobs itself since tractor trailers carrying CNG into Oneonta would emanate from a central compressor station in Pennsylvania, and truckers operating the vehicles are more likely to reside there.

Mr Zakrevsky states that the project will "clearly" promote sustainability and community revitalization; however no evidence has been offered to support this claim. Indeed, increasing dependency on fossil fuels in the region by 25% is the antithesis of sustainability. See prior comments on this. The question in the application refers to "government efficiency." However instead of responding to this, Mr. Zakrevsky attempts to claim that system efficiency is improved by avoiding individual de-compression stations. Again, this dismisses alternatives, such as those identified above and relies on the unfounded premise that Oneonta is facing a gas crisis.

Q_2366 How does your project align with the Regional Economic Development Council's Strategic Plan/Update Revitalization Initiative Plan?

The answer given fails to reference any specific components of the Mohawk Valley EDC strategic plan. Mr. Zakrevsky simply refers to general statements about attracting and retaining jobs and promoting sustainability with investments in infrastructure. From this generality, he concludes that gas infrastructure must therefore be expanded. This is not substantively responsive to the question. As previously discussed, increasing the region's dependency on fossil fuels, including natural gas, runs contrary to state energy goals and undermines sustainability.

Q_929 Current state of project development (i.e. planning, preliminary engineering, final design, etc)

The answer given is "preliminary engineering." However if this is the case then plan decisions affecting the size and extent of the project, which Mr. Zakrevsky has told the public are not yet known, would have already been made. Again, this demonstrates that Mr Zakrevsky has been less than honest in his representations to the Town of Oneonta and public, or to the EDC, or quite possibly to both.
**Q.975**  Estimated Project Timeline including project start/completion dates, estimates for design, permitting and construction or other major steps.

The answer given is that "NYSEG is in the process of bidding out construction documents." Again, this suggests that decisions about the project and its size have been made. Mr. Zakrevsky has been telling the public that they have not.

**Q.580**  Provide a list of all federal, state, and local reviews, approvals, or permits needed or completed, including the dates when they are expected to be completed or were completed.

Mr. Zakrevsky has failed to disclose that the proposed project is not a permitted use within either of the industrial zoning districts in the Town of Oneonta. According to the Town Attorney, a special variance would have to be granted by the Town zoning board in order to build the project in either district, including at Pony Farm Rd, which is identified as the preferred location in the grant application. (This was explicitly confirmed by the Town Supervisor and Town Attorney at the August 8, 2018 public meeting.) Furthermore, we have been advised by legal counsel that other provisions of the Town of Oneonta zoning code preclude the project as an allowable use.

Mr. Zakrevsky's failure to identify this additional hurdle is a significant omission in the grant application, an omission that inaccurately suggests to the EDC that this is a "shovel ready" project. This could not be further from the truth. The EDC should recognize that this is an extremely controversial project that has been and will be vigorously opposed.

Mr. Zakrevsky also failed to identify SEQRA as a necessary step in the review and approval process. See comments regarding this below.

**Q.2364**  What is the status of State and/or Federal Environmental review? If review of the project is underway or completed pursuant to the State Environmental Quality Review Act (SEQRA) or National Environmental Policy Act (NEPA), please indicate the lead agency (if applicable).

SEQRA review is required. In fact this was confirmed by the Town of Oneonta on August 8th. The question is applicable and should have been answered. We maintain that SEQRA review must be performed by an impartial agency. Since no answer was provided, the application is incomplete.

**Q.4160**  For each program to which you are applying under the CFA, explain your strategy for proceeding if the full amount of the requested funding, required matching funds, and temporary financing are not secured as expected, or committed sources become unavailable. This explanation must address any proposed project phases, and both CFA and non-CFA source of funds.

The answer provided to this question is mystifying. It states that the Otsego County IDA (Otsego Now) does not have money to invest in the project. Yet, the "applicant", identified as the Otsego County IDA, is required to provide funding for at least 10% of any CFA project. This would amount to $1.75 million. It is not possible for Otsego Now to consider the CFA grant request of $3.5 million as part of that. As such, this application should be rejected. The Otsego County IDA is the applicant, not NYSEG.
Q_2164 Please concisely describe the proposed project, indicating the location, what will be planned, designed and/or constructed, the issues/opportunities to be addressed and expected outcomes and deliverables.

The answer provided in the grant application for this is the same as for Q_575. See previous comments on Q_575.

Q_3175 Should the full amount of the Applicant's ESD funding request not be awarded, at what minimum level of ESD funding does the project become unfeasible?

Again, Mr. Zakrevsky has mislead the EDC in his response. In answering this question, he states that NYSEG requires that Otsego Now contribute $3.5 million and that without the full 20%, the project cannot proceed. However this directly conflicts with the testimony that he provided at the Oneonta Town Board meeting on August 8th, during which he expressly states that he does not believe the project would be or needs to be as large as the $17.5 million facility proposed in the application. This would indicate that his unequivocal assertion in the grant application that the project cannot proceed with any less funding must be false. Mr. Zakrevsky has submitted inaccurate information, either in his grant application or in his testimony to the Town Board. See previous discussion of this in comments on Q_575.

Q_7542 Please provide a 2-4 sentence press release ready description of the proposed project. This description may appear in the REDC Awards Booklet if the project is funded. Please be clear and concise.

The press release text supplied by Mr. Zakrevsky is inaccurate. It states that NYSEG does not have "capacity nor commodity" to serve the area from Norwich to Oneonta. However NYSEG currently does serve the area from Norwich to Oneonta with a pipeline that operates at an average capacity of 60%. The fact that a few interruptible customers have had to burn fuel oil for less than five days each year does not mean that NYSEG has neither "capacity nor commodity" to serve the area. Furthermore, NYSEG has said it can replace the Deruyter pipeline within a three or five year timeframe. The press statement asserts that the project will increase gas capacity by 25%, but this is only possible if a larger facility is built than Mr. Zakrevsky has publicly testified he supports.

Q_5590 Please provide a concise narrative describing the applicant's history and current operations. Include information about company/organization size, products, services, market share, position within the industry, competitors and the year in which the company was formed, etc.

The answer provided for this is incorrect and perplexing. Instead of describing the applicant, which is the Otsego County IDA, Mr. Zakrevsky has provided information about NYSEG and RG&E, which are regulated utilities and subsidies of Avangrid. None of the information provided describes the actual applicant.

As discussed in our prior comments on Q_575, this appears to be an attempt to use the CFA grant application process in a way that differs from its intended purpose. If the applicant is NYSEG, then NYSEG (or Avangrid) should have applied for CFA funding, not the Otsego County IDA. On the other hand, if a utility like NYSEG is not allowed to apply for such funds, then it would appear that the application is trying to circumvent that rule.

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11 See video of August 8, 2018 Town of Oneonta public meeting (10:50 minute mark): https://www.youtube.com/watch?v=vJzLW0B2wgM
12 See video of August 8, 2018 Town of Oneonta public meeting: https://www.youtube.com/watch?v=vJzLW0B2wgM
Briefly describe the activity that the project involves in terms of product(s) or service(s) that will be provided at the project location.

The answer provided in the grant application for this is the same as for Q_575. See previous comments on Q_575.

Describe how the capital investment for which you are seeking funding will make it possible to reach your business or organization goals, such as changes to profitability, productivity, market share, product offerings, or other results relevant to your goals.

Mr. Zakrevsky states that discussions are occurring with the PSC and NYSEG to undertake the proposed CNG project without increasing rate hikes. However, according to his testimony before the Town of Oneonta, NYSEG was already awarded a rate hike within the last few years to provide for replacement of the Deruyter pipeline. If NYSEG is now being asked or coerced into paying for the construction of a CNG decompressor station, then this could prevent or delay that replacement, or it could cause NYSEG to request another rate hike from the PSC.

No credible explanation has been given for why the proposed CNG project should be funded by rate payers through NYSEG or by the state with CFA funds. If there is a viable market for gas transported by tractor trailer, then the prospective transporter of CNG—whether it is Express Natural Gas (XNG) or some other company—can pay for and build its own facility to serve that market. Meanwhile, as a regulated utility, NYSEG should be held responsible for utility infrastructure improvements to which it has already committed with funds from rate payers collected for that express purpose. Better yet, if funds are not being used as originally intended, they should be returned to customers or applied to projects that reduce energy demand. It is inappropriate for Otsego Now to advocate for a project that redirects rate payer funds collected by a regulated utility, so that an essentially unregulated private trucking company can profit from a CNG station built at public expense.

What tasks and steps need to be completed before the project can begin (obtaining permits, licenses, hiring staff, etc)

See comments on Q_580. Mr. Zakrevsky has failed to disclose that the proposed project is not a permitted use within either of the industrial zoning districts in the Town of Oneonta. A special variance would have to be granted by the Town Zoning Board in order to build the project as a public utility in either district, including at Pony Farm Road, which is identified as the preferred location in the grant application. Other provisions of the Town of Oneonta zoning code hinder approval of the project as well. Mr. Zakrevsky’s failure to identify this zoning hurdle is a significant omission in the grant application that incorrectly suggests it is a "shovel ready" project. It should be noted that substantial community opposition to this project would be brought to bear in any public hearing.

Aside from approving a financial structure for the project, the PSC will have to consider whether the proposal is consistent with state energy goals. With respect to hiring staff, few if any people would be permanently employed at the CNG station. In response to Q_7506, Mr. Zakrevsky admits that no permanent jobs would be created at the site.

Is the proposed project located in a highly distressed area?

The application fails to answer this question.
Q_6069 Does your application contain 1) trade secrets, (2) information that, if disclosed, would cause substantial injury to the competitive position of your organization, or (3) critical infrastructure information?

See comments on Q_6070 below.

Q_6070 Please identify the Question # and specific language for those portions of your application and accompanying documents you believe fall under these exemption, and provide a detailed justification for the exemption from disclosure.

Mr. Zakrevsky suggests that the property's purchase price might be affected by listing all potential sites. However the preferred site is identified in the application along with its purchase price of $231,034. Therefore it is unclear how listing the other sites, or just their locations, could adversely impact this. Indeed identifying them might lead to more competitive offers. Mr. Zakrevsky response also attempts to conceal information relating to a specific company that may be seeking expansion. (In fact, he even redacted the company's identity from the application made available to the public.) By not disclosing basic information regarding this potential expansion, such as the amount of gas that may be burned and for what purpose, interested parties are unable to evaluate the purported need and possible alternatives. We object to these omissions.

Q_2195 Indication how many existing full-time equivalent jobs the applicant employs in all NYS locations.

Mr. Zakrevsky has falsely responded that the applicant, Otsego County IDA, employs 900 people. NYSEG employs 900 people, but is not the applicant. The Otsego County IDA (Otsego Now) employs no more than a couple of individuals, including Mr. Zakrevsky himself. Otsego Now should not be filling out a CFA grant application for NYSEG.

Q_2199 Indication the average annual wage for existing full-time equivalent employees the applicant employs at all NYS Locations as of the date this application is finalized.

Mr. Zakrevsky fails to answer this question.

Q_1365 Indicate how many of the total existing full-time employees in New York State are contract employees.

Mr. Zakrevsky fails to answer this question.

Q_2196, Q_1186, Q_1366, Q_1196

No answer is provided for these questions relating to employees at the project location. There are no current employees at the project location.

Q_2175 What percentage of the project's employees are/will be residents of New York State?

Mr. Zakrevsky answers that 100% of the project's employee will be residents of New York; however he has failed to say how many people will be employed at the facility. In reality, few if any people would be employed at the proposed CNG facility itself. Employees associated with the project would be almost exclusively truck drivers that transport CNG to the site. Furthermore it is unlikely that they would be
residents of New York State since the central distribution hub for CNG is in Pennsylvania. Mr. Zakrevsky's answer lacks credibility.

**Q.2178** Will any other non-construction jobs result from the project? For example, this could include jobs created by tenants at an incubator or mixed-use development or as a result of the creation of a job training center. If so, please estimate how many jobs, explain how these job will be created, and explain the method used to determine the job number estimate.

Mr. Zakrevsky fails to answer this question, indicating that no other non-construction jobs would result from the project.

**Q.4167** Indicate the year employment begins under Year 1 of your project here.

Mr. Zakrevsky fails to answer this question.

**Q.7506** Indicate how many new full-time equivalent employees (using the definition in the question above) the company will create over 5 years.

In this case, Mr. Zakrevsky correctly answers that ZERO full-time jobs would be created. However this contradicts his claim to the contrary in stating falsely that all employees would be residents of New York State. (See answer provided to Q.2175.) Significantly, Mr. Zakrevsky provides no answer for each entry in the job creation table included with this question, resulting in a tabulated result of ZERO net new jobs for all five projected years. The fact that no direct jobs would be created by the project further weakens the request being made for state grant money.

**Q.1059** Does the proposed project use, maintain, or improve existing infrastructure?

Mr. Zakrevsky incorrectly states that the project improves existing infrastructure just because it would increase gas consumption by 25%. According to NYSEG, the existing Deruyter pipeline is old and should be replaced for safety reasons. However the proposed project does nothing to address this, and could draw NYSEG funding away from those improvements. Furthermore increasing gas flow by 25% promotes unsustainable growth, inconsistent with state energy objectives for reducing fossil fuel consumption.

**Q.1060** Is the proposed location in a municipal center?

Mr. Zakrevsky responds that the question is "Not Applicable" (NA), and states that the project will "primarily focus on industrial and manufacturing users." However, the industrial park is on the outskirts of Oneonta, not within its urban center. Elsewhere, the application refers to promoting development of the Oneonta Southside, which is a commercial strip mall corridor—the antithesis of smart-growth development applicable to a municipal center.

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33 See NYSEG and RG&E Five Year Capital Investment Plan 2017-2021 (page 120 of PDF document).

Q_1061   Is the proposed project located in a developed area or an area designated for concentrated infill development in a municipally approved comprehensive land use plan, local waterfront revitalization plan and/or brownfield opportunity area plan?

Mr. Zakrevsky responds yes and repeats the same text from the previous question. However, the preferred location of the project is not located within a concentrated infill development area. It is located within a largely undeveloped industrial park on the outskirts of Oneonta and not within the municipal city limits. It is not part of a waterfront revitalization plan or a brownfield site.

Q_1062   Will the proposed project 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?

The example provided by Mr. Zakrevsky is factually incorrect. He writes that SUNY-Oneonta could have prevented 2.6 million pounds of greenhouse gases from entering the atmosphere if it had burned natural gas instead of 418,000 gallons of fuel oil during NYSEG interruptions over the past five years. Please see the attached letter by Dr. Robert Howarth, a climate change scientist from Cornell University who has conducted substantial research on the greenhouse gas impacts of natural gas relative to other fuels. Dr. Howarth directly refutes Mr. Zakrevsky's claim, estimating that if combustion and total lifecycle emissions of unburned methane are taken into account, SUNY-Oneonta would have produced 9.5 billion grams of greenhouse gases (expressed as CO2 equivalents) compared to 4.5 billion grams from fuel oil. This is an increase of 5 billion grams, or approximately 11 million pounds of CO2 equivalents over five years.

Moreover, Mr. Zakrevsky completely ignores the climate impacts associated with all of the additional natural gas that would be burned if, as proposed, the amount of gas deliverable increases by 25% of the Deruyter pipeline's current capacity. The amount of additional gas to meet the winter needs of interruptible users like SUNY-Oneonta is a small fraction of this much larger quantity. In this case, a 25% increase in natural gas represents over 3 billion cubic feet annually. When burned, this produces 400 million pounds of CO2, and if total lifecycle emissions of unburned methane are taken in account, the global warming impact doubles. This means that roughly 1 BILLION pounds of greenhouse gas emissions (expressed as CO2 equivalents) can be expected to result each year from increasing gas consumption by 25%. Over five years, this corresponds to 5 BILLION pounds of CO2 equivalents. To be clear, this dramatically dwarfs—by a factor of 2000—the amount of greenhouse gas emissions that Mr. Zakrevsky incorrectly claims could be avoided if SUNY-Oneonta did not burn fuel oil for a few days each year. Mr. Zakrevsky's misrepresentation of climate impacts associated with his proposed project are profound.

With respect to other environmental ramifications, it is important to recognize that the proposed project increases New York's dependency on natural gas from Pennsylvania, extracted using high-volume hydraulic fracturing. High-volume fracturing is a process that the NYS Department of Environmental Conservation has banned in New York due to numerous adverse impacts, which include but are not limited to surface and groundwater contamination, emissions of hazardous pollutants into the atmosphere, habitat loss, and ecological fragmentation. High-volume fracturing is not safer, cleaner, or healthier in Pennsylvania than here. By hastening the depletion of reserves elsewhere, Mr. Zakrevsky's proposal also increases the danger that fracturing may eventually be reconsidered in New York. Feeding an addiction to gas is a wrong-headed approach to sustainable development.
Q_1063 Will the proposed project foster mixed land uses and compact development, downtown revitalization, Brownfield development, the enhancement of 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? Please explain all responses.

Mr. Zakrevsky provides no explanation. He simply responds "yes," and repeats text copied from the question. It is absurd to claim any nexus between the burning of gas and smart-growth, compact development concepts or public space beautification. These are community features that are fostered through responsible planning and zoning, regardless of energy source. Mr. Zakrevsky also asserts that hotel development will benefit; however, hotels usually heat rooms with individual electric units. Natural gas is not necessary for new commercial and residential development. Many types of businesses, which the IDA could be focusing on, are not energy intensive.

Q_1064 Will the proposed project provide mobility through transportation choices including improved public transportation and reduced automobile dependence?

Mr. Zakrevsky admits that the answer to this is "no," but then speculates that development of a new transit hub planned for the City of Oneonta would benefit from gas. A new ticket office and waiting area for passengers is not likely to require more gas than currently used for this purpose at the transit site. Furthermore, it is disappointingly uncreative to assume that a new facility would rely on the burning of gas instead of more efficient heat pumps. It will not be possible for New York to meet its aggressive greenhouse gas reduction targets with the type of conventional development advocated by Mr. Zakrevsky.

Q_1065 Will the proposed project involve coordination between state and local government and inter-municipal and regional planning?

Mr. Zakrevsky answers "yes" and refers vaguely to the PSC, local governments, and other IDA's. However, we are aware of no local government involvement prior to his submittal of a grant application. IDA meeting minutes confirm that Otsego Now has been communicating with NYSEG and Senator Seward since at least January 2018, but those activities have been without transparency. The public did not learn of the proposal until late July through a newspaper article in which Mr. Zakrevsky described the project very differently from his application to the EDC.14 There has been no coordination with the Otsego County Board of Representatives, and it appears that Mr. Zakrevsky simply obtained a letter of support for himself as a representative to Southern Tier 8. As previously discussed, quality regional planning is sorely needed to determine how the region can grow responsibly and what forms of energy are conducive to that.

Q_1066 Will the proposed project involve participation in community based planning and collaboration?

Mr. Zakrevsky response mentions various stakeholders and vaguely claims to be working collaboratively with them to plan for the project. This is not an adequate answer. His answer also specifically identifies the Otsego County Conservation Association (OCCA) as helping to plan for the project, which is false. Responding to this, the Executive Director of OCCA issued a strongly worded statement to the public and press on August 14, 2018 that objects to this assertion and states unequivocally that OCCA does not support

Mr. Zakrevsky states "'Projections are that the need would be met by two or three trucks daily delivering for two weeks during the year," which directly contradicts the content of the grant application.
the proposal. The organization also specifically declined to write a letter of support for the project when requested to do so. OCCA's statement is attached.\textsuperscript{15}

\textbf{Q_1067} \textit{Will the proposed project ensure predictability in building and land use codes?}

Mr. Zakrevsky responds that the project complies with local land use regulations. This is not true. According to the Town of Oneonta zoning code, the project is not an allowed use at the preferred site identified in the grant application on Pony Farm Road. In fact, the town has confirmed that the project could not be built without a special variance to exempt the project from code requirements. Since the project violates the existing Town zoning, it does not ensure predictability in building and land use codes.

See also comments on Q_1233.

\textbf{Q_1068} \textit{Will the proposed project 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 is adequate to sustain its implementation?}

Mr. Zakrevsky answers this question by repeating the incomplete and inaccurate claim that he made in his response to Q_1062. See comments on his answer to Q_1062 above. As previously discussed, the proposed project will not reduce greenhouse gas emissions. It will dramatically increase them. Taking life-cycle emissions of methane into account, switching from fuel oil to natural gas will not reduce adverse climate impacts. Moreover, by increasing total natural gas use by 25\%, the proposed project would increase the volume of climate-altering greenhouse gas emissions that are likely to be released into the atmosphere by roughly a billion pounds annually.

\textbf{Q_6256} \textit{Will the proposed project 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?}

Mr. Zakrevsky answers with "Not Applicable." However the question is extremely relevant. If built, the proposed project will increase greenhouse gas emissions, and thereby create even greater risk of adverse climate impacts. See prior discussion of greenhouse gas emissions relating to Q_1062 and Q_1068 above.

A tool for evaluating the adverse impacts to society of climate change, including some of the impacts identified in this question (sea-level rise, extreme storms, flooding, etc.), is the Social Cost of Carbon (SCC). According to the U.S. Interagency Working Group on Social Cost of Greenhouse Gases, SCC is defined as "monetized damages associated with an incremental increase in carbon emissions in a given year. It is intended to include (but is not limited to) changes in net agricultural productivity, human health, property damages from increased flood risk, and the value of ecosystem services due to climate change."\textsuperscript{16} The estimated SCC varies depending on models used, consideration of risk, and discount rate. It also increases over time as emissions cause climate change to put greater stress on physical and economic systems.

\footnotesize{\textsuperscript{15}OCCA's statement is also visible on its website: \url{http://occainfo.org/eco-bulletin-august-14-2018-vol-12-no-9/}}

A commonly cited value is $40 per ton of CO$_2$. This is a conservative number and is likely to underestimate impacts.\textsuperscript{17} However, using this figure, the burden to society of the proposed CNG project advocated by Mr. Zakrevsky (which would be responsible for about 1 billion pounds of CO$_2$ equivalents annually) is $18 million. This is in addition to the cost of the project itself. Moreover, it is a cost to society that would be borne repeatedly, each and every year for which the project operates.

\textit{Q\_1038 and Q\_7341 Certification}

By entering his name in response to these two questions, Mr. Zakrevsky has certified under penalty of criminal prosecution and perjury that the information he has submitted in his grant application for the Otsego County IDA is true, correct, and complete. (See Q\_1038 and Q7341.) This does not appear to be the case, as evidenced by the facts we have provided herein. Furthermore, information submitted by Mr. Zakrevsky in his application directly contradicts testimony to the Town Board of Oneonta and public on August 8, 2018. This is a serious legal and ethical matter—one that precludes awarding of any grant for this proposed project.

\textsuperscript{17} See \textit{Omitted Damages: What’s Missing from the Social Cost of Carbon}\hfill
\url{http://costofcarbon.org/files/Omitted_Damages_Whats_Missing_From_the_Social_Cost_of_Carbon.pdf}
ATTACHMENTS

• Letter from Dr. Robert W. Howarth, Ph.D. Cornell University, August 16, 2018

• ECO-Bulletin from Otsego County Conservation Association, August 14, 2018

• Description of Xpress Natural Gas (XNG) operations
August 16, 2018

To whom it may concern:

I have been asked to comment on the comparison of the greenhouse gas footprint of using 418,000 gallons of fuel oil vs using natural gas instead. Please note that I have researched this general topic closely for the past 9 years and have published 7 peer-reviewed papers in this area, papers that together have been cited in more than 1,000 other peer-reviewed papers. I have also given invited briefings on the topic at the White House, before the US Congress, before the NY State Assembly, and before the Parliament of the European Union.

My summary conclusions below are based on my professional experience and on the data and approaches presented in my previous peer-reviewed work, and in particular these articles:


Burning 418,000 gallons of fuel oil releases 4.5 billion grams of carbon dioxide to the atmosphere.

To use natural gas instead would release somewhat less carbon dioxide during the combustion of the fuel (3.4 billion grams of carbon dioxide). However, the use of the natural gas also involves the emission to the atmosphere of unburned methane; methane is a powerful greenhouse gas, 86-times more powerful than carbon dioxide when evaluated over an integrated time period of 20 years following the use of the fuel. Natural gas is composed almost entirely of methane, and release of some amount of unburned methane to the atmosphere is inevitable when using natural gas. My best professional judgement is that currently for the natural gas used in New York State (which largely originates from the Marcellus shale gas fields in Pennsylvania), 5.1% of the natural gas is emitted to the atmosphere before being burned. The greenhouse gas equivalency of this unburned methane is equivalent, in this case, to another 6.1 billion grams of carbon dioxide in terms of its influence on global warming over the coming 20 years. Combining these direct and indirect effects, using the natural gas to replace fuel oil is the equivalent of releasing 9.5 billion grams of carbon dioxide to the atmosphere.

To summarize, the use of natural gas instead of the fuel oil is far worse for the climate when viewed over the lens of the next 20 years, with a footprint that is probably more than twice as great.

Robert W. Howarth, Ph.D.
*David R. Atkinson Professor of Ecology and Environmental Biology*
A note from the Executive Director

As Executive Director for Otsego County Conservation Association (OCCA), I was deeply concerned to learn that Otsego Now, the Otsego County Economic Development Agency, stated that OCCA is in favor of the Consolidated Funding Application proposal to install a Compressed Natural Gas (CNG) decompression station in the town of Oneonta, which would have the effect of expanding natural gas infrastructure in Otsego County. While it is true that we have spoken with Mr. Zakrevsky about the project, make no mistake, OCCA does not support the proposal, and when asked to write a letter of support for the project we respectfully declined.

Earlier this year, the Otsego County Chamber of Commerce asked OCCA to participate in their newly-formed Energy Committee, chartered by the Chamber to examine the energy needs of Otsego County. This project was discussed at the meetings, and OCCA has been the sole environmental advocacy member promoting alternatives to expanding natural gas and particularly for the proposed project. We have advocated for low-impact development for the proposed railyard project in the form of Leadership in Energy and Environmental Design (LEED) certified buildings and net-zero projects to help attract more eco-friendly businesses to the county and strongly suggested coordination with the town prior to submitting a proposal for funding a decompression facility.

OCCA did agree to help Otsego Now find alternatives to the natural gas project, offered to attend New York State Electric and Gas (NYSEG) meetings to advocate for alternative solutions (yet to be scheduled), and put Otsego Now in contact with the New York State Energy Research and Development Authority (NYSERDA) to take advantage of expertise in alternative energy research and funding mechanisms to help defray the costs of building and retrofitting buildings to help lower natural gas consumption and eventually transition to non-fossil fuel energy options. Further, we gave a presentation to the Energy Committee about our new project, funded by NYSERDA, to promote energy efficiency in existing buildings through envelope improvements and alternative technologies such as ground-sourced heat pumps and renewable pellet stoves and boilers. We, in no way, helped Otsego Now prepare their proposal, we do not support the proposal, and we find it disconcerting that Otsego Now included us in their proposal without our knowledge or permission.

For fifty years, it has been OCCA’s process to thoughtfully review each project before voicing our support or opposition. We have many concerns about the Otsego Now project and will continue to review all information as it comes to us. Members of the Board of Directors and our staff have been attending public meetings on the proposal and will continue to do so throughout the process. Rest assured, OCCA will not waver in our approach to this project. Our Board of Directors and staff are keenly aware of the contentious nature of this project and will be discussing the project and the current energy crisis in Oneonta and Otsego County at our next full board meeting in September. If anyone has any concerns or questions about OCCA’s role on the Energy Committee or the question of support for the Otsego Now proposal, we encourage you to call or email us at (607) 547-4488 or director@occainfo.org.

Yours in conservation,

Leslie Orzetti, Ph.D.,
Executive Director
Otsego County Conservation Association
XNG DOES NOT DESERVE TAX-PAYER OR RATE-PAYER HANDOUTS

Xpress Natural Gas (XNG) is a hauler of compressed natural gas (CNG) and likely supplier for the proposed receiving facility in Oneonta, NY. Over the short period of time it has been in operation, the company has earned a reputation for dishonesty, permit violations, and poor safety—behavior that should not be rewarded.

In 2014, XNG submitted a proposal to the Town of Manheim in Herkimer County, NY for a CNG distribution hub. The project was proposed as a facility to extract natural gas from the Iroquois pipeline for fueling trucks and distributing CNG to individual customers in the region. Claiming that gas delivery to end-users was its sole objective, the company also petitioned the NYS Public Service Commission (PSC) for a declaratory waiver of state oversight. The Manheim project was approved, despite local opposition. Shortly afterwards, XNG installed additional equipment at the new facility, including a large, noisy gas-burning compressor for the purpose of injecting natural gas into the Iroquois Pipeline from tractor trailers driven from Forest Lake, PA. The company did so without obtaining required air permits from the New York State Department of Environmental Conservation (DEC) and without notifying the PSC that the facility’s use had changed from a distribution hub for local customers to a receiving station for inserting gas into a main transmission pipeline. Since then, activities at the site have dramatically increased, with reports of 40 to 100 tractor trailers entering and leaving the facility each day.

XNG deceived the Town of Manheim, state agencies, and the public about its plans to create a 155 mile "virtual pipeline" of tractor trailers carrying highly-compressed gas from Pennsylvania. The company was eventually issued a fine from DC for operating without an air permit, but was nevertheless permitted to continue. Today in Manheim, residents are plagued with noise, gas odors, and an incessant flow of truck traffic on local roads.

Moreover, XNG’s operations have become a nightmare for residents of Otsego County who live along SR 205, SR 28, and other roads used by the company to haul CNG between Pennsylvania and Manheim. Residents of Otsego County frequently observe XNG trucks operating recklessly at high speeds, and the company’s tractor trailers have been involved in numerous accidents that make newspaper headlines on a regular basis. At least a dozen accidents have occurred since this "virtual pipeline" went into service:

- February 21, 2017 in Forest Lake, PA - tractor trailer rollover
- May 27, 2017 in Binghamton, NY - spontaneous venting of gas (closed 4 lanes of interstate)
- June 12, 2017 in Forest Lake, PA - tractor trailer tip over -into a ditch
- September 12, 2017 in Hartwick, NY - tractor trailer rollover
- December 21, 2017 in Little Falls, NY - collision with car
- February 9, 2018 in Hartwick, NY - tractor trailer slides off the road
- February 22, 2018 in Hartwick, NY - tractor trailer slides off the road
- March 5, 2018 in Hartwick, NY - vehicle breakdown (vehicle had to be towed)
- June 2, 2018 in Bethlehem, NY - tractor trailer rollover
- June 8, 2018 in Little Falls, NY - spontaneous venting
- July 9, 2018 in Oneonta, NY - vehicle breakdown
- July 11, 2018 in Exeter, NY - tractor trailer rollover
Some of the above incidents have involved injury to XNG drivers and the release (venting) of highly-explosive methane into the atmosphere. Residents who live along the XNG "virtual pipeline" route or share the road with its tractor trailers rightfully fear that the next accident will be deadly. It should be noted that each mobile XNG trailer is capable of carrying between 350 and 500 dekatherms of gas (350,000 to 500,000 cubic feet) and is pressurized at over 3000 psi. This is more than twice the pressure of gas within a secure pipeline, installed in the ground.

In an attempt to mitigate danger, noise, and public nuisance, residents and community leaders have urged XNG to reroute its drivers on to the interstate (including I-81 and I-90). The trip takes only a few minutes longer by interstate, but apparently neither safety nor quality of life for those impacted figure into XNG's calculation. So far, the company has refused to consider an alternative route. Today's ongoing pattern of routine accidents suggests that it is only a matter of time before catastrophe occurs.

It is no surprise that XNG has difficulty retaining drivers. A review of comments posted online by former employees point to a mismanaged company that cares little for the well-being of its staff. It is also known that XNG failed to pay contractors for work at the Manheim facility, which has resulted in a law suit and mechanic's lien against the company's facility in Forest Lake. Based on Otsego Now's grant application, the company's new strategy appears to involve getting tax-payers and rate-payers to build facilities for them.

XNG should not be rewarded for bad behavior. This is certainly not the kind of company that deserves to share our roads or benefit from a facility built for them at public expense in Oneonta.