



TOWN OF EAST HAMPTON

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East Hampton, New York 11937

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August 21, 2026

Mr. Brian Bolster
President and Chief Executive Officer
NextEra Energy Resources LLC
700 Universe Boulevard
Mailstop: E3A/JB
Juno Beach, FL 33408

Mr. John W. Ketchum
Chairman, President and Chief Executive
Officer
NextEra Energy, Inc.
700 Universe Boulevard
Mailstop: E3A/JB
Juno Beach, FL 33408

Montauk Energy Storage Center LLC
700 Universe Blvd,
Mailstop: E3A/JB
Juno Beach FL 33408
Attn: Officer

Ms. Zoe Yujnovich
Chief Executive Officer
Ms. Sally Librera
President, New York
National Grid
One Metrotech Center
Brooklyn, NY 11201

**RE: Montauk Energy Storage Center, LLC
10 North Shore Road, Montauk, NY
SCTM #300-27-4-8.8**

Dear Sirs/Mesdames:

On July 31, 2026, I wrote to you concerning the East Hampton Energy Storage Center at 3 Cove Hollow Road, East Hampton. This letter concerns your other battery energy storage facility in this Town: the Montauk Energy Storage Center at 10 North Shore Road, Montauk (the Facility), approved by the Planning Board on March 14, 2018 and in operation since early 2019.

While there has not been a fire at the Montauk Facility the condition that made the 2023 fire at Cove Hollow a potential environmental problem exists in Montauk today.

I. The two facilities are substantially the same

In his October 12, 2017 memorandum to the Planning Board, the Town's Senior Planner advised the Board that, apart from some dimensional variations, the Montauk Energy Storage Center and the East Hampton Energy Storage Center are essentially the same facility, and that the submitted plans and emergency action plans are nearly identical. The two projects share the same corporate parent, the same executive sponsor, the same environmental consultant (TRC Environmental

Corporation), the same design engineer (ECI Engineering Services, plans stamped and sealed by Glen A. Smith), the same lithium-ion chemistry, and the same approach to spill containment. Representations made in one file were made in the other. Accordingly, the concerns set out in my July 31, 2026 letter apply here, and the Town treats the answers you give on one facility as answers you are giving on both.

II. The representation on which the Town's Planning Board approved this Facility

In 2017, TRC Environmental Corporation submitted to our Planning Department, on behalf of Montauk Energy Storage Center, LLC, responses to the Planning Department's March 16, 2017 comment letter and the Planning Board's March 23, 2017 comments. Those comments asked for information and specifications on the proposed batteries, including chemical composition, toxicity and flammability, and directed that a detail of how spills would be contained be provided on the plans. TRC's answer, on behalf of the applicant, was that "the electrolyte within the battery is a non-aqueous organic solvent. Accordingly, *there is no liquid within the battery cell that could spill.*" The submission then described containment as a structure for the mineral oil in the transformers and inverters, and directed the Board to the Equipment Slab & Oil Containment Detail, Drawing MTK-D-P007-1.

The Town relied on that statement. The Planning Board, as SEQRA lead agency, issued a negative declaration on May 17, 2017. Part 3 of the Board's Environmental Assessment Form recites that the applicants provided a detail of the spill-containing platforms upon which the inverters and transformers, which contain liquids that could spill, are to be placed, and states that the batteries themselves do not contain liquids and therefore do not present the potential for spill of hazardous substances. The Senior Planner's October 12, 2017 memorandum repeated it again in advance of the vote: the proposed batteries are non-aqueous and therefore do not contain liquids that have a potential to spill.

When the Board approved the Facility on March 14, 2018, it approved the General Arrangement & Landscape Plan, Sheet MTK-D-P003-1, dated revised September 8, 2017, which carries the list of safety design features in its margin notes. Condition 3.6 requires that the Facility be equipped with all safety design measures specified on that plan. Condition 3.8 requires, as an ongoing condition of the approval, that all runoff and drainage be contained on site. Conditions 3.3 and 3.4 require a Final Emergency Action and Safety Plan, and require the Town to be notified of any change to it within thirty days.

Whether an intact cell leaks was never the concern at a facility of this kind. The concern, which has now manifested at your other facility sixteen miles away, is that cells open under thermal runaway and that whatever is used to put the resulting fire out carries their contents into the ground. The distinction between a cell that cannot spill and a battery building that can discharge millions of gallons of contaminated water was available to you in 2017. It was not made to the Planning Board.

III. What was built to hold a spill in Montauk, and what was not

The containment provided in response to the Board's request was scoped to oil and to nothing else. The site plans limit spill containment to the transformers and inverters, and the oil containment detail sizes the basins to a fraction over the oil volume of individual pieces of equipment. Nothing else on this site would hold anything.

The Montauk site was not merely left permeable; it was engineered to infiltrate. In response to public concern about flooding and run-off, the applicant submitted a stormwater plan prepared by ECI dated September 7, 2017 consisting of a roughly three-foot-deep infiltration trench covered by a metal grate, together with a retention pond along the front (south) property line. The Town Engineer, by memorandum dated September 19, 2017, verified that the capacity of these structures is adequate for a two-inch rainfall, which is the applicable standard of the Town Code. A two-inch rainfall standard is a stormwater standard. It is not a fire-water standard, and an infiltration trench is the functional opposite of containment: its purpose is to deliver what enters it into the ground. Whatever leaves that building during a thermal event at this Facility has an engineered pathway to groundwater, and the Town approved that pathway on the understanding that the only spillable liquid on the property was transformer oil.

IV. Where this Facility sits

The Facility occupies a triangular parcel of 19,726 square feet, less than half an acre, between the MTA/LIRR right-of-way and North Shore Road, on the narrow strip of land that separates Fort Pond from Fort Pond Bay. The parcel is in an area of Montauk that routinely floods and is, in the Planning Board's own words, entirely surrounded by areas within a designated flood hazard zone. It lies within the State's designated coastal area and was reviewed for consistency with the Local Waterfront Revitalization Program. It sits above the sole-source aquifer that is the only drinking water this hamlet has, between two water bodies, on a surface designed to infiltrate. A discharge at this location of the magnitude that occurred at Cove Hollow would reach surface water, groundwater, or both, and there is no practical means of recovering it.

V. What happened at your Cove Hollow facility

On May 31, 2023, a battery fire occurred at the East Hampton Energy Storage Center. The Suffolk County Water Authority (SCWA) alleges that the facility's fire suppression system ran roughly thirty hours, discharged more than 2.2 million gallons, and that water was left pooled to the south. The Facility was offline for approximately thirteen months.

During the week of July 20, 2026, the NYS Department of Environmental Conservation (DEC) and the Suffolk County Department of Health Services (SCDHS) began field work under a joint investigation of PFAS groundwater contamination at SCWA's Bridgehampton Road Wellfield, carried under DEC Spill No. 2601953. DEC is investigating environmental media at the Cove Hollow Site to test whether PFAS are leaching from soil into groundwater at suspected release locations. In early 2026, SCWA detected PFPrA, an ultrashort-chain PFAS compound, in four wells at that wellfield; three were removed from service and the fourth reduced to emergency use only. The NYS Department of Health has set a site-specific screening value of 3 parts per billion for PFPrA. SCDHS installed groundwater profile wells between SCWA's supply wells and the facility returned results including 1,170 parts per billion, roughly three hundred ninety times the screening value. Twenty-six homes in the area are not connected to public water. The Water Authority alleges in its litigation that PFPrA is associated with the thermal breakdown of lithium-ion batteries.

DEC has not determined a source, and I will not prejudge its conclusion. The Town's demands here do not depend on the DEC's ultimate source determination. The failure that must be immediately addressed is that you knew, or should have known, that a lithium-ion fire could be met with water; that thermal runaway opens cells; and that containment built for transformer oil

and nothing else, on a site engineered to infiltrate, would not contain what came out of the building. That was knowable in 2017. In Montauk, unlike in East Hampton, it remains entirely preventable.

VI. Fire suppression at the Facility

On April 6, 2018, three weeks after the Board approved this Facility, TRC submitted the Final Emergency Action and Safety Plan (Doc. SMS 237, Rev. 0) to satisfy the conditions of approval. Appendix 2 of that Plan, "Fire Prevention and Response," states that the site will be equipped with an automatic fire suppression system utilizing water, designed by a licensed engineering firm specializing in fire protection, and that the system is designed so that suppression activates in any section of the building experiencing a fire. The Plan explains the choice: water has been shown to be the most effective fire suppressant for lithium-ion batteries because it both extinguishes the fire and removes excess heat.

The Town notes one further statement in the record. In a letter to the Planning Board dated February 16, 2018, counsel for the applicant urged approval on the ground that the Project is “essentially pollution-free . . . This is key!”, with no air emissions or water discharges. That letter was submitted three weeks before the vote. The Final Emergency Action and Safety Plan describing a building-wide water suppression system was submitted seven weeks after it.

What the Town requires

The Town demands the following at your sole cost and expense. The governing objective of each is the protection of groundwater and the surrounding surface waters.

1. Develop a Revised Final Emergency Action and Safety Plan for Town approval. Submit it within thirty days to the Town Attorney, the Planning Board, and the Chief Fire Marshal. Conditions 3.3 and 3.4 already require the Plan and require notice of changes to it. The Revised Plan must describe the suppression systems as actually installed; state, with a documented methodology, the maximum volume of suppression water a worst-case thermal runaway at full installed capacity could generate; specify how every gallon of that volume will be collected, contained, characterized, and lawfully disposed of, with zero discharge to soil, groundwater, surface water, Fort Pond, Fort Pond Bay, North Shore Road, the MTA/LIRR right-of-way, or any adjoining property; identify by name, title, and telephone number the Environmental Response Team Company and the On-Island Manager, as Condition 3.3 requires; provide for immediate notice to the Town, the Chief Fire Marshal, the Montauk Fire Department, DEC, the County Health Department, and the Water Authority upon any thermal event; address unmanned and off-hours operation and the acknowledged possibility that the site cannot be reached during a storm; and state whether the Plan has in fact been updated and submitted since 2019 and, if so, furnish every version. Submission is not compliance. The Plan must be approved.

2. Design and install engineering controls that capture and hold all fire water and all fire-related runoff. Submit within sixty days a stamped and sealed design, prepared by a New York licensed professional engineer, for physical measures adequate to protect environmental resources in the event of a fire at this Facility, including containment of fire runoff, and construct those measures on an expedited schedule approved by the Town. The design must address, or justify excluding, full secondary containment of the battery building sized to the worst-case suppression volume; an impervious, lined and curbed surface within the leased area in place of

crushed rock and road base; positive isolation of the existing infiltration trench and retention pond by normally closed, fail-safe valves so that no fire water can enter an infiltration structure; dedicated capture tankage or a lined, valved structure that does not infiltrate groundwater; leak detection; and prompt removal and off-site disposal of captured water as a potentially hazardous waste. For the avoidance of doubt, the oil basins beneath the transformers and inverters do not satisfy this demand and should not be offered as though they did, and the stormwater structures approved to a two-inch rainfall standard are part of the problem this demand addresses rather than any part of the answer to it. The Town's position is that operating it without containment sufficient to hold a worst-case fire-water volume does not satisfy Condition 3.6 or Condition 3.8.

3. Develop a Hazardous Waste Management Plan. Submit it with the Revised Plan. It must govern the identification, segregation, characterization, storage, manifesting, transport, and disposal of every waste stream a thermal event or equipment failure could generate, including damaged cells, modules, and racks, contaminated suppression water, contaminated soil and structural media, spent adsorbents, dielectric fluid and all other manmade substances, in accordance with 6 NYCRR Parts 370 et seq. and all applicable federal, State, and County requirements, and must likewise govern routine operations, module replacement, end-of-life handling, and decommissioning.

4. Correct the record and certify the accuracy of the spill containment representation. Within thirty days, provide a written statement signed by an officer with authority to bind the company that identifies the manufacturer, model, and chemistry of every cell, module, and rack installed at the Facility, with current safety data sheets and the full composition of the electrolyte, binder, separator, and every fluorinated constituent; identifies every fire suppression agent installed, stocked, or contemplated for use at the Facility, including any foam, with product name, manufacturer, safety data sheet, and a statement whether it contains or has ever contained fluorinated compounds; states whether the cells or their components are a source in the environment of PFPrA, trifluoroacetic acid (TFA), or any other PFAS, on decomposition or combustion; states the total mass of fluorinated material on site; states whether the representation made to the Planning Department on March 31, 2017, that the electrolyte within the battery is a non-aqueous organic solvent and that accordingly there is no liquid within the battery cell that could spill, was accurate and complete when made, and if not, in what respect, and whether the company understood at that time that fire suppression water could carry cell contents out of the building; discloses every analysis or communication in your possession or that of your affiliates, including from the cell manufacturers, bearing on PFAS content, thermal decomposition products, or fire-water contamination, whether generated before or after 2023; and identifies every material change since 2018 to the Facility's battery chemistry, suppression system, or safety design measures, and whether the Town was notified as Condition 3.4 requires.

5. Conduct baseline environmental sampling at and around the Montauk Facility. Within sixty days, submit for Town approval, and thereafter implement, a sampling work plan prepared by a qualified environmental professional providing for soil and groundwater sampling on and immediately downgradient of the Facility, including installation of monitoring wells sufficient to characterize conditions between the Facility and Fort Pond and Fort Pond Bay, analyzed for PFPrA, TFA, and the full suite of PFAS compounds using methods capable of detecting ultrashort-chain species, together with metals, fluoride, and volatile organics associated with lithium-ion cells. State whether your company or any affiliate has already sampled soil,

groundwater, or any other medium at or near this Facility, and if so provide all results and the dates obtained. This Facility has not burned. The value of establishing what is in the ground now, before any event, is obvious, and it runs in your favor as much as the Town's.

6. Provide a study of the Facility's necessity for the East End electric grid. Within sixty days, commission and provide an independent study, by a qualified power systems consultant acceptable to the Town and not affiliated with your company or its parent, assessing whether this Facility is necessary to the reliability of the East End grid. It should address the reliability need the Facility was intended to serve and whether it persists; current and forecast peak load and transmission and distribution capacity on the South Fork, including resources placed in service since 2019; whether the benefit the applicant urged upon the Planning Board in 2018, that without this project LIPA would need to install environmentally impactful mobile fossil fuel generators in Montauk to meet summer peak electric use, was in fact realized, and the current status and run hours of those generators; the consequences of the Facility ceasing operation, being derated, or being relocated to higher ground outside the flood-surrounded area and off the contributing area of the aquifer; alternatives, including non-lithium chemistry, water-free suppression, and resiting; and the underlying data from third party sources, furnished in full rather than summarized. The study must also analyze grid performance during the approximate thirteen-month period the Cove Hollow facility was off line following the 2023 fire, which period supplies real-world data on the consequence of an East End storage facility being unavailable.

7. Provide access and cooperation, and reimburse the Town's costs. Provide the Town, its Chief Fire Marshal, and its consultants access to the Facility, the leased area, and any monitoring or sampling locations on reasonable notice, and cooperate with any inspection by the Chief Fire Marshal or the Montauk Fire Department. Reimburse the Town the reasonable costs of technical and legal review of the submissions required above.

* * *

The Town does not allege at this time that any individual knowingly made a false statement to it, and it does not need to. What the file shows is that this Facility was approved on the representation that it had no spillable liquid other than transformer and inverter oil, that containment was built to match that representation and nothing more, and that the site beneath it was engineered to send water into the ground. Three years after a fire at your other facility in this Town, that condition persists in Montauk, between a pond and a bay, above the only drinking water this hamlet has.

Nothing in this letter waives or elects among any of the Town's rights or remedies, all of which are expressly reserved. Those include enforcement under the Town Code, Conditions 3.3, 3.4, 3.6, and 3.8 and the consequences prescribed by the March 14, 2018 determination, which provides that if any condition is not met, all approvals, permits, or authorizations granted are void and of no effect; modification, suspension, or revocation of the site plan approval and special permit; supplemental review under SEQRA; and all rights and claims available under the Environmental Conservation Law, the Navigation Law, other state law, federal law, and common law.

Please direct your response to me, with a copy to the Town Attorney. If the Town does not receive one in accordance with each deadline stated above, it will proceed as it deems appropriate.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kathy', followed by a long horizontal flourish.

cc: Governor Kathy Hochul
Suffolk County Executive Edward Romaine
Senator Anthony Palumbo
Assemblyman Tommy John Schiovoni
Legislator Ann Welker
East Hampton Village Mayor Jerry Larsen
NYSDEC Commissioner Amanda Lefton
NYSDOH Commissioner James V. McDonald
SCWA CEO Jeffrey Szabo
East Hampton Town Board
Town Administrator Rebecca Hansen
Town Attorney Jacob Turner
Chief Fire Marshall Town of East Hampton David Browne
Montauk Fire Department Chief Peter Joyce, Jr.
East Hampton Town Planning Board