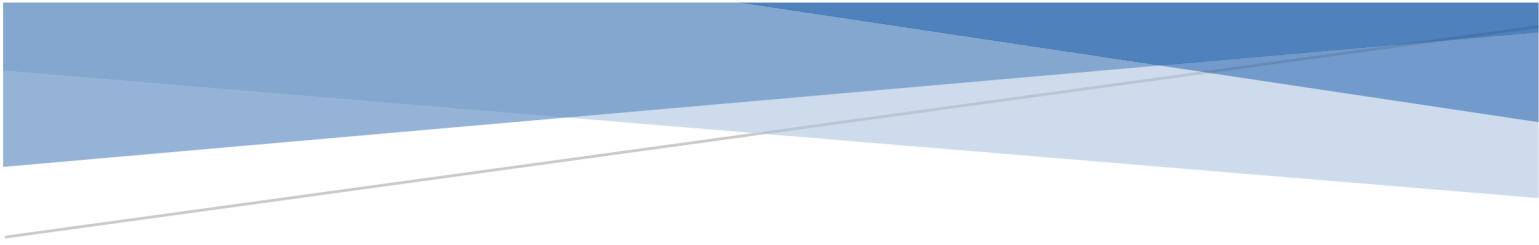


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RESPONSE TO CEC STAFF DATA REQUEST SET 2

Vernon Backup Generating Facility (25-SPPE-02)

SUBMITTED TO: CALIFORNIA ENERGY COMMISSION

SUBMITTED BY: GIC Vernon, LLC

October 6, 2026



INTRODUCTION

Attached are GIC Vernon, LLC's responses to California Energy Commission (CEC) Staff Data Request Set No. 2 for the GEP Vernon Backup Generating Facility Application for Small Power Plant Exemption (SPPE) (25-SPPE-01). Staff issued Data Request Set No. 2 on September 25, 2026.

The Data Responses are grouped by individual discipline or topic area. Within each discipline area, the responses are presented in the same order as Staff presented them and are keyed to the Data Request Numbers. Additional tables, figures, or documents submitted in response to a data request (e.g., supporting data, stand-alone documents such as plans, folding graphics, etc.) are found in Attachments at the end of the document and labeled with the Data Request Number for ease of reference.

For context, the text of the Background and Data Request precede each Data Response.

ALTERNATIVES

BACKGROUND: Range of Reasonable Alternatives

Section 5.0, Alternatives, of the SPPE application (TN 262029) provides a description of the proposed project alternatives the applicant considered for possible backup generation during a grid emergency. The alternatives consist of reduced capacity system and backup electric generation technologies (gas-fired turbines, flywheels, gas-fired reciprocating internal combustion engines, batteries, fuel cells [backup replacement and primary generation/grid backup], and alternative fuels).

DATA REQUESTS

DR ALT-1. Section 5.1, Evaluation Criteria, states that a description of a no project alternative is included, but no description appears in the section. Please include a description of the no project alternative and address the extent that the no project alternative would feasibility attain the basic objectives of the project and whether it would avoid or substantially lessen any of the significant effects of the project.

RESPONSE TO DATA REQUEST DR-ALT-1

Under the No Project – No Build Alternative, no development of the project site would occur, and current conditions would continue at the site for an unknown period. The Project Site formerly included a portion of the Smithfield Packaged Meats Corporation warehouses and packaging facilities. All of these facilities have been demolished and removed from the site leaving the site vacant.

The Project Site has a General Plan Designation of Industrial with an Overlay District of Slaughtering. The property is currently zoned Industrial with Slaughtering and Commercial 1 overlays. According to the local Zoning Code, the uses allowed in these Zoning Areas are Industrial in nature, of which Data Center is allowed and a conditional use permit from the City of Vernon is not required. If the VBGF and GEP were not developed on the Project Site, the site could eventually be approved for a use or uses consistent with these land use designations. Although a different project would likely be proposed at the site in the future, no development plan exists to allow a comparison with the VBGF and GEP, and it would be speculative to assume the characteristics of such an alternative.

The No Project Alternative would avoid the proposed project's less than significant impacts identified in the SPPE Application (no impact compared to the proposed project less than significant impact). If the project were not constructed, GIC Vernon LLC's primary goal to develop a state-of-the-art data center in conformance with the basic project objectives would not be attained.

DR ALT-2. In accordance with Public Resources Code section 25540.6(b), please provide the applicant's site selection criteria, any alternative sites that the applicant considered for the project, and the reasons why the applicant chose the proposed site.

RESPONSE TO DATA REQUEST DR-ALT-2

GIC Vernon LLC began its search for sufficient land available in the Southern California for a variety of industrial and commercial uses in 2023. There are few large parcels of land with sufficient access to large amounts of electricity in Southern California. Discussions with the City of Vernon identified the current site as an ideal opportunity because it allowed use of sufficient acreage for a data center and had access to sufficient electricity at competitive rates and fast delivery from VPU. These criteria made the site the only reasonably commercially available site in the region.

BACKGROUND: SCAQMD NOP Comment Letter Alternatives Considerations

The South Coast Air Quality Management District (SCAQMD) submitted a Notice of Preparation (NOP) comment letter dated September 3, 2026, in response to the NOP of a Draft Environmental Impact Report for the Vernon Backup Generating Facility (dated August 5, 2026). SCAQMD's NOP comment letter states that "the Vernon Public Utility has its own backup power supply" and that "concerns about adequate natural gas service, pressure, capacity, and reliability" should be supported by information from the natural gas provider (SCAQMD, letter dated September 3, 2026).

The SPPE application (TN 262029) states that natural gas-fueled equipment for backup power generation was considered and rejected as an alternative to diesel, due to concerns that: 1) gas infrastructure is more likely to experience fuel curtailments during natural disasters and other emergency loss of utility power than liquid fuel sources; and 2) onsite storage or delivery of natural gas to address the curtailment issues during an emergency is impossible to support long duration of backup (24 hours or longer time) due to the volume required.

The SCAQMD letter states that existing natural gas transmission and distribution infrastructure generally provides a highly reliable fuel supply. Moreover, natural gas engines can provide backup power with fewer air quality and GHG impacts when compared to diesel-fired backup engines. According to the SCAQMD comment letter, a natural gas engine equipped with appropriate emission controls that is capable of achieving a NOx emission rate of 0.03 grams per kilowatt-hour (g/kW-hr) would emit approximately 96 percent fewer NOx emissions than a Tier 4 Final diesel engine emitting NOx at a rate of 0.7 g/kW-hr.

DR Alt-3. Please provide analysis or evidence that use of natural gas-fueled equipment would be infeasible as an alternative to diesel-fired engines. Further, any concerns about adequate natural gas service, pressure, capacity, and reliability during a power outage should be addressed with input from the natural gas provider(s) (Southern California Gas Company and/or Vernon Public Utilities) serving the project area.

The feasibility of natural gas service should consider design measures such as backup or redundant natural-gas supply line(s), backup fuel, or other measures to ensure a reliable fuel supply during a power outage. The consideration of natural gas feasibility should address reliability, duration, and emissions compared with the proposed use of diesel generators.

RESPONSE TO DATA REQUEST DR-ALT-3

SCAQMD's comment letter states:

...the NOP states that the applicant considered but rejected natural gas-fueled equipment for backup power generation due to concerns that natural gas may be difficult to supply or transfer during a power outage without providing any analysis or evidence that natural gas-fueled equipment is infeasible.¹⁶ Existing natural gas transmission and distribution infrastructure generally provides a highly reliable fuel supply.¹

As described in the Project Objectives in Section 8 of the SPPE Application, reliability is a major Project Objective. Data Center Clients demand the data center meet a reliability factor of 99.999 percent or greater. It is the sole reason that data centers propose any backup generation to de-risk the very unlikely event of an interruption of electrical service. SCAQMD's comments on the NOP undervalue the Project Objective relating to data center reliability and more specifically the reliability of delivery of natural gas during a catastrophic event like an earthquake. In California, which does not experience tornados or hurricanes, the potential catastrophic event informing data center design is an earthquake. During an earthquake, underground gas pipelines can, and have historically, experienced rupture. If this were to occur simultaneously during an electrical outage the data center would be unable to operate. The data center design must account for a disruption in natural gas main infrastructure as well as the natural gas pipeline built from that infrastructure to the site.

In California, there has only been one large data center permitted that uses natural gas pipelines proposed by Microsoft's SJ02 Project (19-SPPE-04) . Microsoft filed an SPPE Application for its SJ04 Project (22-SPPE-02) and explained in its SJ04 SPPE Application why it was proposing diesel backup generators and not natural gas fired generators:

¹ South Coast AQMD's comment letter on NOP of a Draft EIR for the Vernon Backup Generating Facility 272324, at page 6.

Although Microsoft is developing the San Jose City Data Center (SJC02) with the use of natural gas generators to be operated by Enchanted Rock, the SJC02 site enjoys a unique setting. The SJC02 site has two redundant high pressure natural gas pipelines that deliver natural gas from two separate regional backbones. This setting is largely due to the existence of the natural gas pipeline that was built as part of the Los Esteros power plant adjacent to the SJC02 site. The SJC02 site is able to maintain redundant interconnections to both of the high-pressure natural gas pipelines. These two independent pipelines, connected to independent sources of natural gas supply, increases the probability of natural gas being delivered to the SJC02 site during emergencies that likely could interfere with operations of one of the delivery pipelines. Microsoft has determined that the reliability of the SJC02 project can therefore meet its Project Objectives for that data center due to the unique provision of natural gas pipeline redundancy for the SJC02 site.²

The primary gas provider for the City of Vernon is Vernon Public Utilities (VPU). During initial due diligence for the acquisition of the property, VPU identified it had a 6-inch medium pressure gas pipeline located on Vernon Avenue and a 10-inch medium pressure gas pipeline on Bandini Avenue. However, neither is adequately sized to support the capacity of full back up generation. Initial Review of the local gas maps also identified a 4-inch So Cal Gas distribution pipeline. However, recent conversations with VPU's Gas representatives identified that VPU's gas distribution system is directly fed from So Cal Gas's transmission pipelines and therefore are supplied by the same backbone infrastructure providing gas from the same source. To provide a reliable redundant supply to the VBGF, the supply of gas needs to be provided from two separate backbone pipelines that connect to two different supplies of natural gas.

For the same reasons articulated by Microsoft in its SJ04 SPPE Application, GIC Vernon LLC has concluded that it cannot meet the reliability needs of its customers because two redundant pipelines to two natural gas backbone pipelines with different sources of natural gas are infeasible at the VBGF Site.

In addition, GIC Vernon LLC has proposed Project Design Measures and believes that all of the potentially significant impacts related to the VBGF, with mitigation, will be less than significant impacts. Therefore, while natural gas-fired generators could reduce emissions, they would not "reduce a significant impact from the VBGF".

² Microsoft SJ04 SPPE Application, Section 8 page 284 TN245949.

DR Alt-4. Based on the analysis above, should natural gas be a viable alternative, please provide information on the design of the natural gas-fired backup generation facility, including capacity, scale, type of equipment needed, footprint, fuel usage, maintenance characteristics/testing, and other facility needs.

RESPONSE TO DATA REQUEST DR-ALT-4

Since natural gas-fired backup generation is infeasible for the reasons identified in Response to DR ALT-3 above, GIC Vernon LLC has not prepared a detailed design and should not be necessary to perform an adequate discussion of Alternatives in the Draft EIR. This is consistent with the Commission's evaluation in prior SPPE Proceedings. The capacity of the system would likely include the same total MWs of backup generation capacity with redundancy as the diesel backup generators for the reasons identified in Sections 2.2.3 and 2.2.4 of the SPPE Application.

DR Alt-5. Has the applicant contacted Vernon Public Utilities on whether any of the City of Vernon power facilities could be available to serve any portion of dedicated energy backup resources for the project? Please provide documentation or explanation regarding the feasibility of Vernon Public Utilities providing any portion of the project's backup power supply.

RESPONSE TO DATA REQUEST DR-ALT-5

GIC Vernon LLC has contacted VPU who confirmed that it does not have sufficient generation assets within the City of Vernon to reserve up to 100 MW of immediately accessible electricity that could be available during an emergency interruption of electricity service to the site. To minimize electricity interruptions, GIC Vernon LLC is paying VPU to construct two redundant radial transmission feeds to the GEP. If one of the feeds is disrupted, the other feed can provide the full electrical demand of the GEP. This minimizes the need to use the backup generators if one transmission feed is interrupted. But it does not protect against a major electrical disruption to the entire VPU or the regional electrical system. Contracting with VPU for double the power, additional transmission lines to deliver that electricity to the site during an emergency, would double the electrical costs to serve the GEP, is not feasible for VPU to hold such a large amount of electricity in reserve, and would not protect from a region wide electrical outage. Such a design would fail to meet the reliability identified in the Project Objectives. This explanation of infeasibility is supported by the fact that none of the large data center projects proposed in California have included such a plan.