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STATE OF CALIFORNIA - NATURAL RESOURCES AGENCY

EDMUND G. BROWN JR., Governor

CALIFORNIA ENERGY COMMISSION 1516 NINTH STREET SACRAMENTO, CA 95814-5512 www.energy.ca.gov



August 25, 2017

Mr. Matt Silvers, Director of Operations Vantage Data Centers 2820 Northwestern Parkway Santa Clara, CA 95051

JURISDICTIONAL DETERMINATION FOR VANTAGE DATA CENTERS V4 AND V5

Dear Mr. Silvers:

The California Energy Commission has been asked to analyze whether Vantage Data Centers' (Vantage) expansion on its Santa Clara campus, would possibly bring the facility under Energy Commission jurisdiction as a thermal power plant of 50 megawatts (MW) or more.

As a general matter, the Energy Commission has permitting jurisdiction over any thermal power plant with a generating capacity of 50 megawatts (MW) or more. (Pub. Resources Code, §§ 25110, 25120, 25500) Vantage Data Centers operates data centers in California and Washington, several of which (V1-V4) are currently located on two adjacent parcels in Santa Clara, California. The company is also in the process of constructing another data center (V5) at this location.¹ For reliability purposes, these data centers use diesel-fired back-up generators to maintain operation in case of interruption of electrical service from the grid. If these generators were considered together to constitute a project of 50 MW or more, the Energy Commission would have jurisdiction. Staff has concluded that V1-V3 should not be considered as part of the same project as V4 and V5 as it does not appear that they were part of a foreseeable plan of development and, therefore, do not together constitute the same project. Units V1-V3 were expanded or constructed at various times in 2011 and there is no information or evidence that units V4 and V5 were contemplated or planned at that time.

With regard to data centers V4 and V5, it is unnecessary to determine whether they should be considered the same or separate projects because even if combined their generation is insufficient to trigger Energy Commission jurisdiction pursuant to section 2003 of title 20 of the California Code of Regulations.

¹ Staff had previously concluded that another data center (V6) should be considered separately for several reasons, including that it is on a parcel non-contiguous with the other units and it is connected to the grid through a different substation, and, therefore, its back-up generators would be triggered by a different event than those of V1-5.

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Based on the product "cut sheets" Vantage provided to the Energy Commission, from Caterpillar and Cummins power generating suppliers, the steady state continuous output is 70 percent of the nameplate rating for the Caterpillar and the Cummins backup generators. Vantage also included a revised table from its initial submittal updating the outputs, which demonstrates that if the generating output for V4 and V5 were added together, the combined output would be 40.43 MW when accounting for the steady state continuous ratings.

Staff normally determines jurisdiction of a power generating facility based on its maximum generating capacity. However, in determining a facility's maximum generating capacity, we consider both internal loads to deliver the electricity, and any restrictions on the amount of electricity the end user can actually receive. In the case of Vantage, the sole end user of electricity from the diesel generators dedicated to V4 and V5 are two computer buildings with a combined maximum building capacity of 31.5 MW. In other words, under actual operational modes, V4 and V5 together will not generate more than 31.5 MW due to the upper limiting computer building loads, which are well below 50 MW.

In summary, the Energy Commission staff concludes that the construction of V5 at the Vantage Data Centers' Santa Clara campus is not within the Energy Commission's permitting jurisdiction. Staff makes this conclusion based upon the information provided in the May 30, 2017, June 8, 2017, and June 28, 2017 data submitted by Vantage and DayZen, LLC.

If the generating capacity of this project is increased, the existing data centers are expanded, or new information arises that contradicts the details above, staff reserves the right to reexamine or change its conclusion regarding jurisdiction. Please contact Mr. Shahab Khoshmashrab at (916) 654-3913 or <u>Shahab.Khoshmashrab@energy.ca.gov</u> should you have any questions.

Sincerely,

Robert P. Oalesby

Executive Director

cc:

Spencer Myers, Director of Construction, Vantage Data Centers Scott Galati – DayZen, LLC Brenda Cabral, Supervising Engineer, Bay Area Air Quality Management District Sanjeev Kamboj, Director, Bay Area Air Quality Management District Flora Chan, Bay Area Air Quality Management District Sharl Libicki, Ph.D., Global Air Quality Service Line Leader Shawn Pittard, CA Energy Commission Matthew Layton, CA Energy Commission Shahab Khoshmashrab, CA Energy Commission