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Docket Number:	19-SPPE-01
Project Title:	Laurelwood Data Center (MECP I Santa Clara I, LLC)
TN #:	228060
Document Title:	Status Conference Statement of MECP1 Santa Clara 1, LLC for the Laurelwood Data Center
Description:	N/A
Filer:	Deric Wittenborn
Organization:	Ellison Schneider Harris & Donlan LLP
Submitter Role:	Applicant
Submission Date:	5/6/2019 3:13:12 PM
Docketed Date:	5/6/2019

STATE OF CALIFORNIA

ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:)
Application for Small Power Plant)
Exemption for the)
)
LAURELWOOD DATA CENTER)

Docket No. 19-SPPE-01

STATUS CONFERENCE STATEMENT

Of

MECP1 SANTA CLARA 1, LLC

For

THE LAURELWOOD DATA CENTER

Jeffery D. Harris
Samantha G. Neumyer
ELLISON SCHNEIDER
HARRIS & DONLAN LLP
2600 Capitol Avenue, Suite 400
Sacramento, CA 95816
Telephone: (916) 447-2166
Facsimile: (916) 447-3512
Email: JDH@eslawfirm.com
SGN@eslawfirm.com

May 6, 2019

Attorneys for the Applicant

STATE OF CALIFORNIA

ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:)
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LAURELWOOD DATA CENTER)

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STATUS CONFERENCE STATEMENT

INTRODUCTION

MECP1 Santa Clara 1, LLC, the Applicant for the Small Power Plant Exemption for the Laurelwood Data Center submits this Status Conference Statement as directed by the Notice of Committee Conference and Related Orders (the "Notice") dated April 25, 2019. (TN#: 227871.)

The Applicant proposes to construct and operate the Laurelwood Data Center ("LDC") in Santa Clara, California. The LDC will consist of two, four-story data center buildings. The maximum load of the servers in the LDC, including the cooling and ancillary load of the building, is 99 megawatts ("MW"), meaning the project is subject to the California Energy Commission ("CEC" or "Commission") Small Power Plant Exemption (SPPE) process.

To ensure reliability in the unlikely event of loss of electric service from Silicon Valley Power ("SVP"), the LDC will include 56 standby generators to provide electrical power during outages. These 3.0-MW generators will be grouped in redundant set configurations to ensure uninterrupted power for the LDC's maximum demand. These standby generators will not deliver electricity for general consumption but will be restricted to providing power exclusively for LDC demand in the event of an emergency. In addition to the physical limitations on LDC's energy demand, the Applicant's agreements with SVP also provide a contractual limit not to exceed the LDC's maximum of 99 MWs.

RESPONSE TO STAFF'S ISSUES IDENTIFICATION REPORT

The Order Regarding Proposed Schedule and Issues Identification Report in the Notice provides that the Applicant "shall file its response" to the Staff's Issues Identification Report no later than May 6, 2018. Staff's Issues Identification Report (TN#: 228030) identifies four potential issues and provides a draft schedule for this Exemption proceeding. The Applicant responds to each of these four issues and provides a proposed schedule below.

Air Quality Modeling

The Bay Area Air Quality Management District ("BAAQMD") permitting process for backup emergency generators is straightforward. The BAAQMD permitting guidance,

consistent with Regulation 2, Rule 2, indicates the only modeling required is potentially the Health Risk Screening Analysis (“HRSA”), as provided in the LDC SPPE Application. Nevertheless, in response to Staff, the Applicant has conducted additional modeling, described below. The Applicant is in the process of updating the conceptual site plan to address City of Santa Clara Project Clearance Committee Review recommendations received as part of the Architectural review, unrelated to the backup generators. Once these recommendations are incorporated, the Applicant will update the air quality dispersion modeling requested in Data Requests 16, 25, 26, 33, 34, 45, and 46. The recommendations are minor and the revised air dispersion modeling will demonstrate that the project will not cause or contribute to the violation of a state or federal ambient air quality standard, based on the dispersion modeling performed for the SPPE application.

Biological Resources

The Commission’s Staff would like to evaluate the nitrogen deposition that could result from the proposed project and is conducting nitrogen deposition modeling. Air Quality Staff is requesting additional information for their modeling. The use of air dispersion modeling to assess potential nitrogen depositional impacts is unnecessary and inappropriate.

The emergency standby generators will only be operated to the extent necessary to ensure reliable operation in the unlikely event of a temporary loss of power from SVP. The Applicant has provided an analysis showing these emergency standby generators are anticipated to operate approximately 16 hours per year for this purpose. Furthermore, the NOx emissions will be offset by emission reduction credits in compliance with BAAQMD Regulation 2, Rule 2, Section 302.

Further, the modeling of nitrogen deposition is inappropriate as the modeling approach used by the Staff is highly conservative in assuming 100 percent of the NOx emissions convert to atmospheric depositional nitrogen (ADN) in the exhaust stack. The reaction to convert NOx emissions to ADN requires sunlight, moisture, and time. As a matter of atmospheric chemistry, the project’s NOx emissions will not have had sufficient time to convert to ADN and deposits on the habitats identified by Staff, which may not necessarily be nitrogen-sensitive habitats, within two miles of the LDC site.¹

Demolition

Existing structures, including underground infrastructure, are being removed by the former owner as a condition of sale, pursuant to the demolition requirements of the City. Underground infrastructure at a depth of 8 feet or less will also be removed. Perimeter trees and shrubs will be retained to the extent feasible consistent with the arborist report included in Appendix 2-A.

¹ The Commission Staff stated this fact in the Huntington Beach Energy Project proceeding (TN 202405): “Since staff analyzes habitat areas within a 6-mile radius of the project, it is unlikely that there would be sufficient time for the emitted nitrogen to convert to ADN. Therefore, it is likely that a less than significant amount of the project’s nitrogen emissions would actually deposit on these habitat areas.” Staff concluded in that case that the atmospheric nitrogen deposition modeling approach used likely overestimates the ADN by a factor of 10, employs dated baseline nitrogen deposition rates that overestimates the background nitrogen deposition by a factor of 2, and ignores the fact that the provided emission reduction required by the air district resulted in zero net increase in the regional NOx emissions.

Finally, demolition of the existing structure is not a “project” as defined by the CEQA guidelines. Demolition is not an activity which will be subject to discretionary approval. CEQA defines a project as a discretionary agency action, and excludes ministerial actions. (Pub. Resources Code § 21080(b)(1).) Demolition of the existing building is not a “project” for the purposes of CEQA as issuance of a demolition permit by the City of Santa Clara is ministerial.

Water Supply

The Applicant has provided historic water use data for the site showing over the last 15 years the historic water use was over 10 percent higher than the LDC’s maximum expected water use. Therefore, the Applicant is confident that the forthcoming City Water Supply Assessment will identify that sufficient water is available to supply the project.

APPLICANT’S PROPOSED SCHEDULE

The Commission’s Regulations provide that “The final decision shall be issued by the commission within 135 days after the filing of the application or at such later time as deemed necessary to permit full and fair examination of the issues.” (20 CCR 1945(b).) The Applicant has provided *Attachment A: Applicant’s Proposed Schedule* which affords more than ample time for full and fair examination of the issues for a CEQA “exemption.”

The column labeled “Commission Schedule” in Attachment A sets forth the schedule for the proceeding, following the Commission’s Regulations and applicable noticing requirements. The “Date” column shows the date for action if the Commission follows its own Regulations and applicable law on noticing requirements. Next to these dates are the “Staff’s Proposed Schedule” and the “Applicant’s Proposed Schedule.”

The Applicant notes that even following the “Applicant’s Proposed Schedule”, the approval process for the exemption will take approximately 60 days longer than the Commission’s Schedule, though this timeframe could be further expedited if the Commission holds a special Business Meeting. In contrast, Staff’s proposed schedule adds approximately 90 to 120 days to the Commission’s 135-day process. The Commission should adopt the Applicant’s Proposed Schedule.

CONCLUSIONS

It is well-settled law that CEQA requires examination of “the whole of the action.” (14 CCR 15378). What is the “action” in this case? The SPPE application action is an “exemption.” The SPPE approval exempts a project from the Commission’s Application for Certification (“AFC”) process.

The CEQA exemption granted by the SPPE approval is not a “lease, permit, license, certificate, or other entitlement for use.” (14 CCR 15378(c).) The local government, in this case the City of Santa Clara, must still review and approve the project. It is the City of Santa Clara’s follow-on approval that is the entitlement for use.

May 6, 2019

ELLISON SCHNEIDER HARRIS & DONLAN LLP

By: 

Jeffery D. Harris
Samantha G. Neumyer
Attorneys for the Applicant

Attachment A: Applicant’s Proposed Schedule

Attachment B: Applicant’s Committee Status Conference Presentation

ATTACHMENT A: APPLICANT'S PROPOSED SCHEDULE

ACTIVITY	COMMISSION SCHEDULE¹	DATE	STAFF'S PROPOSED SCHEDULE	APPLICANT'S PROPOSED SCHEDULE
Applicant files application for SPPE	0	3-5-19	3-5-19	3-5-19
Staff files data requests	Day 10	3-15-19	3-28-19	3-15-19
Staff files Issue Identification Report	Day 10	3-15-19	5-1-19	5-1-19
Applicant provides data responses	Day 30	4-4-19	4-11-19	Ongoing
Last Day for Data Requests (<i>60-days after filing of application per 20 C.C.R. § 1941</i>)	Day 60	5-6-19 ²		5-6-19 ³
Draft Initial Study filed	Day 60	5-6-19	7-11-19	6-11-19
Draft Initial Study workshop (if needed)	Day 68	Sun 5-12-19; 5-13-19	7-25 and 7-26-19	6-18-19
Last Day to File Petition to Intervene				7-2-19
Agency, applicant, public comments on the Application and Initial Study (30 days)	Day 70	5-14-19	8/12/19	7-11-19
Staff Publishes Final Initial Study and Proposed MND (including response to comments) / Opening Testimony Due				7-19-19
Last Day to File Reply testimony (<i>Seven days prior to evidentiary hearings, or other day set by the presiding member per 20 C.C.R. § 1943</i>)	Day 93	6-6-19		7-26-19
Prehearing Conference / Evidentiary hearings	Day 100	6-13-19	8-26 to 8-30-19	8-2-19
Committee files Proposed Decision	Day 120	7-3-19	TBD	8-10-19
Comments on the Initial Study and Proposed Decision	Day 130	7-13 (Sat); 7-15-19		8-30-19
Final Adopting Hearing by the Commission (<i>135-days after the filing of the application or later date needed necessary per 20 C.C.R. § 1945(b).</i>)	Day 135	7-18-19	10-2-19 or 11-13-19	9-11-19

¹ The "Commission Schedule" is a combination of milestones provided for by the Commission's regulations and the model schedule on the Commission website at https://www.energy.ca.gov/sitingcases/12-month_SPPE_Processes.pdf.

² Section 1941 provides for a 60-day discovery period triggered by the filing of the SPPE application. Because this period would end on Saturday May 4, 2019, the deadline rolls to May 6, 2019 per Section 1003.

³ Section 1941 provides for a 60-day discovery period triggered by the filing of the SPPE application. Because this period would end on Saturday May 4, 2019, the deadline rolls to May 6, 2019 per Section 1003.

ATTACHMENT B

APPLICANT'S COMMITTEE STATUS CONFERENCE PRESENTATION



Laurelwood Data Center (“LDC”)

California Energy Commission:

Small Power Plant Exemption (19-SPPE-01)

May 2019

About EdgeCore



US-based provider of highly scalable, cloud-connected data center solutions to the world's most demanding customers.



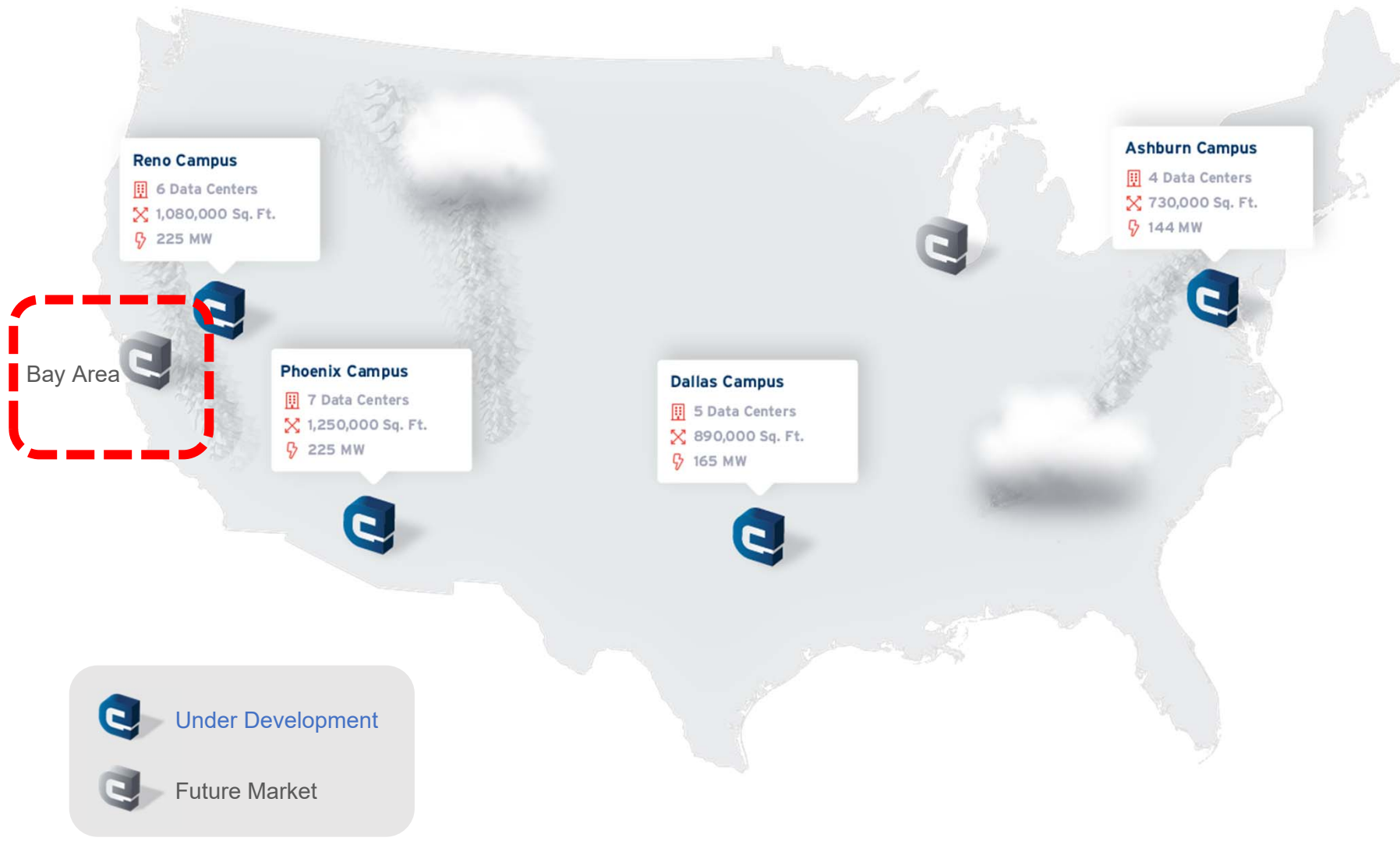
Committed to enabling the growth and performance of our customers. Supported by our relentless focus upon delivering an outstanding customer experience.



Executive team averages 10+ years working together, with 65+ years of data center experience through investing in and managing \$10+ billion across acquisition and development projects.

- **Cloud-connected:** Onboarding and connectivity solutions supporting hybrid-cloud
- **Funding:** Privately held with +\$2B of development capital supported by long-term oriented institutional investors
- **Scalable, national platform:** 80 MW+ of capacity in each of 5 North American markets
- **Headquarters:** Denver, CO

EdgeCore Platform - US

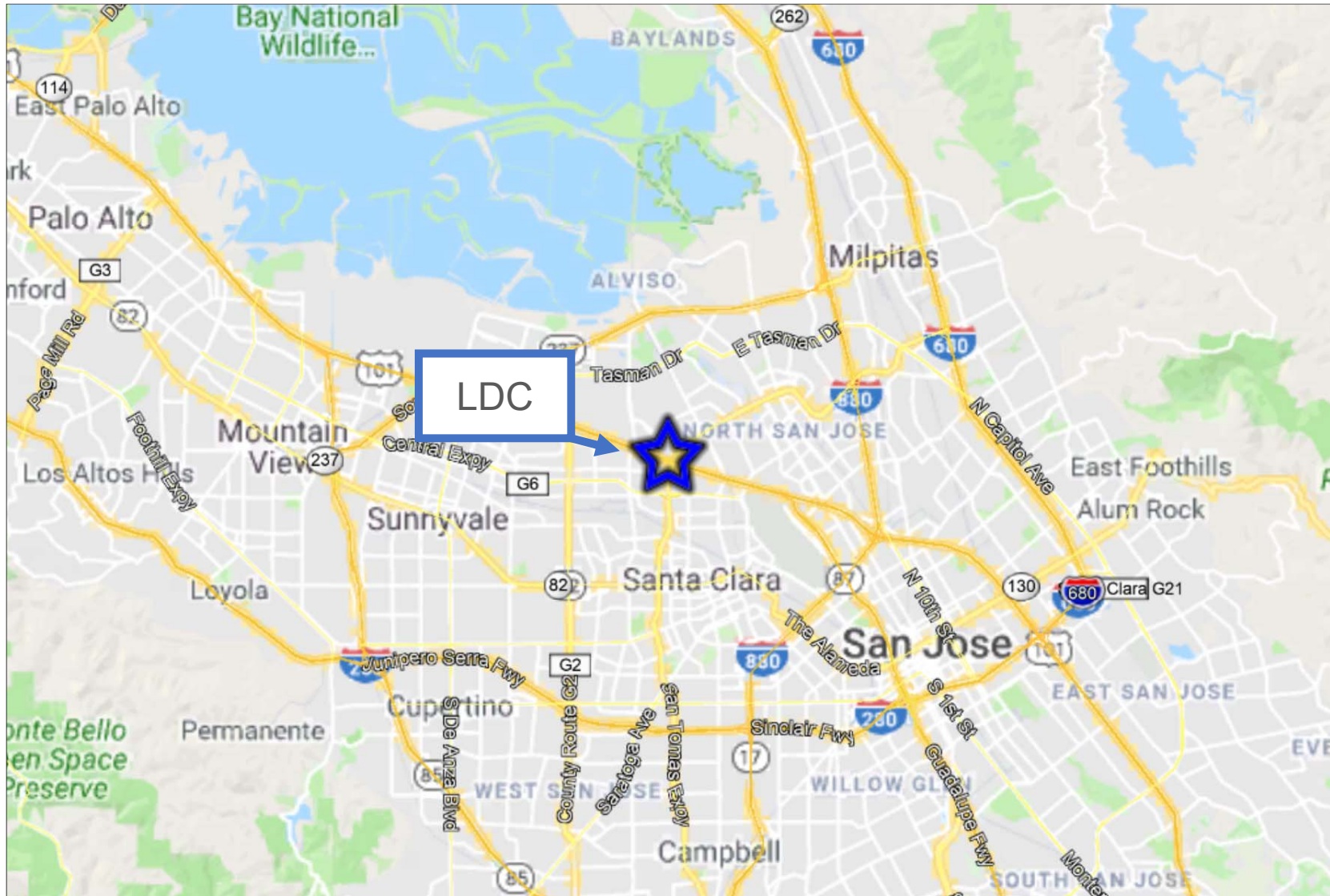


Laurelwood Data Center Overview

MECP1 Santa Clara 1, LLC (a wholly-owned subsidiary of EdgeCore), plans to develop a data center campus

- 2201 Laurelwood Rd, Santa Clara, CA 95054
- Repurpose of 11.98-acre developed industrial site
- Proposed development of buildings and infrastructure on the campus currently totaling:
 - 572,000 sq ft of data center IT space
 - 36,000 sq ft of ancillary support space
- Onsite 99-MW Silicon Valley Power substation
- No more than 99 MW of utility draw, limited by data center IT and supporting equipment demand based on available electric utility capacity
- Plan to install up to 56 3-MW diesel generators
 - Never more than 99 MW of emergency generator capacity operating at one time

LDC Project Location

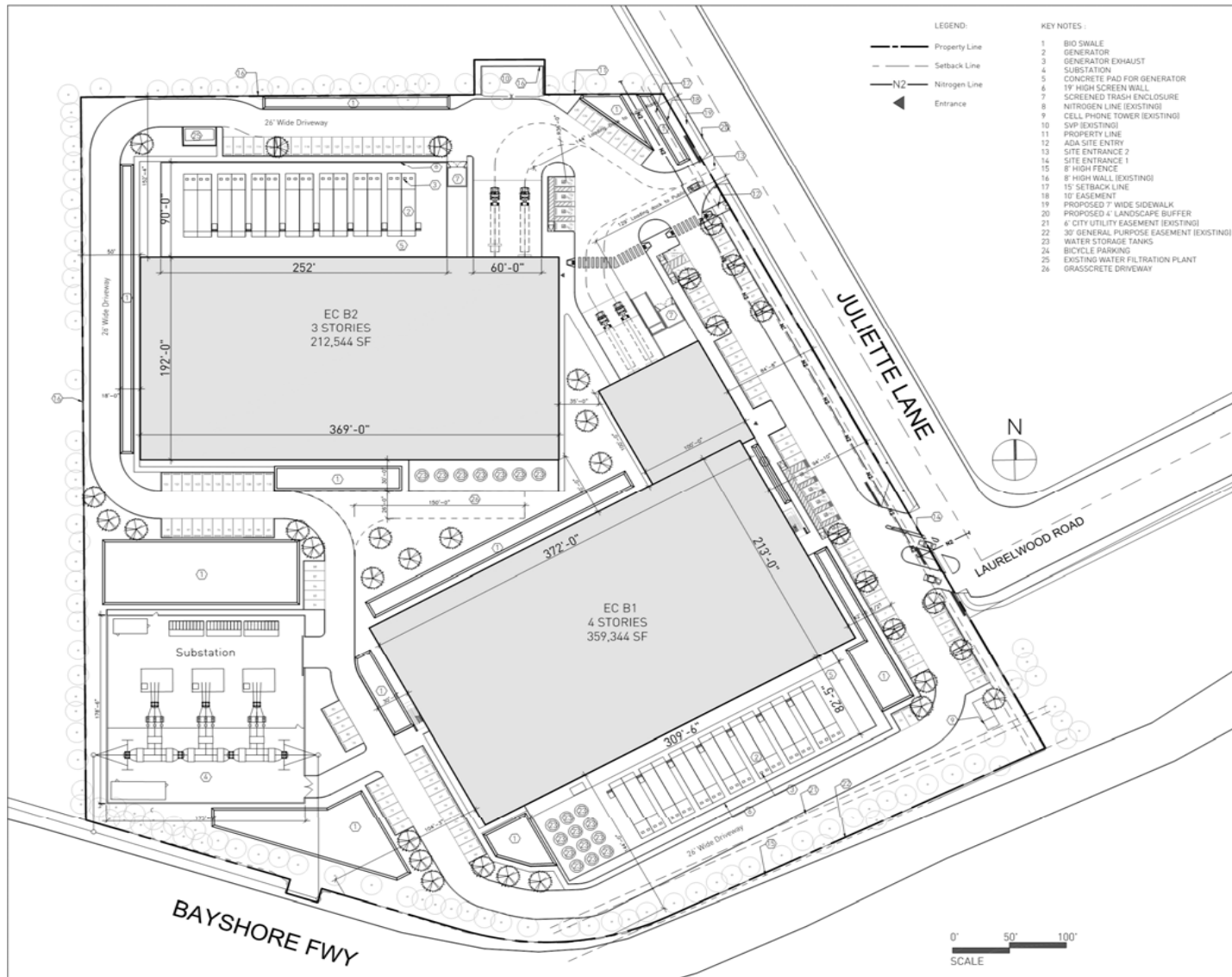


LDC Project Site

- At the intersections of Montague Parkway and US Highway 101. A heavily developed urban corridor
- Previously owned by Siliconex, Inc. – a computer chip manufacturer, who previously used the site for heavy industrial manufacturing
- Site has existing structures that are being removed (including underground features to 8 feet below grade)
- Site is zoned industrial and is suitable for the proposed Data Center reuse
- Existing utilities within adjacent roadway



LDC Conceptual Site Plan



LDC Project Schedule

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Thank You and Question and Answer Session

DECLARATION OF SERVICE

I, Deric J. Wittenborn, declare that on May 6, 2019, I served and filed copies of the Status Conference Statement of MECP1 Santa Clara 1, LLC for the Laurelwood Data Center dated May 6, 2019. The most recent Proof of Service List, which I copied from the web page for this project at: <http://www.energy.ca.gov>, is attached to this Declaration.

I successfully uploaded the document to the Energy Commission's e-filing system and I personally delivered the document or deposited it in the US mail with first class postage to those persons for whom a physical mailing address but no e-mail address is shown on the attached Proof of Service List. [The e-filing system will serve the other parties and Committee via e-mail when the document is approved for filing.] or


I e-mailed the document to docket@energy.ca.gov and I personally delivered the document or deposited it in the US mail with first class postage to those persons for whom a physical mailing address but no e-mail address is shown on the attached Proof of Service List. [The e-filing system will serve the other parties and Committee via e-mail when the document is approved for filing.] or

Instead of e-filing or e-mailing the document, I personally delivered it or deposited it in the US mail with first class postage to all of the persons on the attached Proof of Service List for whom a mailing address is given and to the

California Energy Commission – Docket Unit
Attn: Docket No. _____
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am over the age of 18 years.

Dated: May 6, 2019



Deric J. Wittenborn

Proof of Service List

Docket: 19-SPPE-01

Project Title: Laurelwood Data Center (MECP I Santa Clara I, LLC)

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Applicant

Matt Muell
EdgeCore
CA
matt.muell@edgecore.com

Applicant Representative

Jeff Harris
Ellison, Schneider and Harris, LLP
2600 Capitol Avenue, Suite 400
Sacramento, CA 95816
jdh@eslawfirm.com

Samantha Neumyer
Ellison, Schneider, Harris, & Donlan LLP
2600 Capitol Avenue, Suite 400
Sacramento, CA 95816
sgn@eslawfirm.com

Applicant Consultant

Jerry Salamy, former: jerry.salamy@CH2M.com
CH2M Hill - 2485 Natomas Park Dr, Ste 600,
Former: CH2M Hill - merged with Jacobs
Sacramento, CA 95833
jerry.salamy@jacobs.com

Commission Staff

efiling archive
California Energy Commission
Sacramento, CA
efilingPOSarchive@energy.ca.gov

Kerry Willis, Staff Counsel
California Energy Commission
Office of the Chief Counsel, 1516
Ninth Street, MS-14
Sacramento, CA 95814

Leonidas Payne, Project Manager
California Energy Commission
Siting, Transmission, and
Environmental Protection, 1516 9th
Street, MS-15
Sacramento, CA 95814
Leonidas.Payne@energy.ca.gov

Nicolas Oliver, Attorney
California Energy Commission
1516 9th Street
Sacramento, CA 95814
Nicolas.Oliver@energy.ca.gov

Committee

JANEA A. SCOTT, Associate Member, Commissioner
California Energy Commission
Sacramento, CA

Jennifer Nelson, Adviser to
Commissioner Douglas
California Energy Commission
Sacramento, CA

KAREN DOUGLAS, Presiding Member, Commissioner
California Energy Commission
Sacramento, CA

Kristy Chew, Commissioners'
Technical Advisor for Energy
Facility Siting
California Energy Commission
Sacramento, CA

Le-Quyen Nguyen, Adviser to
Commissioner Douglas
California Energy Commission
Sacramento, CA

Linda Barrera, Adviser to
Commission Scott
California Energy Commission
1516 9th Street
Sacramento, CA 95814

Ralph Lee, Hearing Office
California Energy Commission
Sacramento, CA

Rhetta deMesa, Adviser to
Commissioner Scott
California Energy Commission
Sacramento, CA

Susan Cochran, Hearing Officer
California Energy Commission
Sacramento, CA

Public Adviser

Alana Mathews, Public Adviser
California Energy Commission
Public Advisers Office, 1516 Ninth Street, MS-12
Sacramento, CA 95814
publicadviser@energy.ca.gov