

DOCKETED

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**NOTICE OF RECEIPT OF AN
APPLICATION FOR A SMALL POWER PLANT EXEMPTION
FOR SAN JOSE CITY DATA CENTER
(19-SPPE-04)**

On November 15, 2019, the Microsoft Corporation (applicant) filed an application with the California Energy Commission (CEC) for a Small Power Plant Exemption (SPPE) for the San Jose City Data Center (project) (19-SPPE-04).

PROJECT DESCRIPTION

Microsoft Corporation proposes to construct and operate the San Jose City Data Center located at 1657 Alviso-Milpitas Road in San Jose, California. The project consists of two single-story data center buildings with approximately 479,000 gross square feet of administrative and data center space. The maximum electrical load of the project would be 99 megawatts (MW), inclusive of information technology (IT) equipment, ancillary electrical/telecommunications equipment, and other electrical loads (administrative, heat rejection, and safety/security). To provide reliable operation of the project in the event of loss of electrical service from the local electric utility provider, Pacific Gas and Electric Company (PG&E), the project includes 40, 3.0-MW standby diesel generators to provide electrical power to support the IT load during utility outages or certain onsite electrical equipment interruptions or failures. These generators would be deployed in redundant configurations (that is, all 40 generators would never be operating at the same time at 100 percent) to ensure uninterrupted power, up to the maximum of 99 MW (with an expected load of 92 MW). In addition to the 40 backup generators, the project would include two administrative generators, rated at 1.25 MW and 0.5 MW, to support administrative functions during an interruption in the normal delivery of electrical power from the utility. The project would also include an onsite 230-kilovolt (kV) substation with two 230-kV electrical supply lines that would connect to PG&E's Los Esteros Substation, located adjacent to the site.

SMALL POWER PLANT EXEMPTION PROCESS

CEC has the exclusive authority to certify all thermal power plants (50 MW and greater) and related facilities proposed for construction in California. The SPPE process allows applicants with facilities between 50 and 100 MW to obtain an exemption from CEC's jurisdiction and proceed with local approval rather than requiring CEC certification. CEC can grant an exemption if it finds that the proposed facility would not create a substantial adverse impact on the environment or energy resources. In this case, the facility is subject to CEC's licensing authority unless the exemption is granted. Should the exemption be granted, the applicant would still need to secure the appropriate licenses and permits for the project from relevant local, state, and federal agencies.

STAFF EVALUATION OF THE SPPE APPLICATION AND FURTHER STEPS

Public Resources Code section 25519(c) designates CEC as the lead agency, in accordance with the California Environmental Quality Act (CEQA), for all facilities seeking an SPPE. CEQA requires the lead agency to consider the whole of the action; therefore, CEC will include the entire project in its analysis, which includes the construction and operation of the data center building, backup generators, and any associated utility connection facilities.

As lead agency, CEC is required by Public Resources Code section 21080.3 and CEQA Guidelines section 15063(g) to consult with responsible and trustee agencies to ascertain whether a negative declaration or environmental impact report is required. CEC staff (staff) has begun its review of the application and a Committee of two Commissioners was appointed at CEC's December 11, 2019 Business Meeting to oversee the SPPE proceeding. Over the coming months, staff will evaluate the project and prepare an environmental analysis document—for SPPE projects this typically takes the form of an Initial Study and Proposed Mitigated Negative Declaration. The Initial Study/Proposed Mitigated Negative Declaration will be published and made available for a 30-day public comment period. The assigned Committee will then conduct a hearing to determine whether to propose that the full Commission adopt the proposed CEQA documents and to determine whether to recommend to the full Commission that the proposed project should be exempt from CEC's power plant certification process. This hearing will provide the public as well as local, state and federal agencies and California Native American tribes the opportunity to provide input on the exemption request. Subsequent steps include issuance of a proposed decision by the Committee, and possible adoption of that decision by CEC at a Business Meeting or hearing. CEC's regulations setting forth the SPPE process are primarily located in Title 20, California Code of Regulations, sections 1934-1947.

PUBLIC PARTICIPATION

CEC maintains a website for this project at: <https://ww2.energy.ca.gov/sitingcases/sj2/>. The SPPE application and related project documents are viewable by clicking the "Documents for this Proceeding (Docket Log)" link located near the upper right corner of the project webpage. The direct link to the project docket log is: <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=19-SPPE-04>.

You can subscribe to receive e-mail notification of all notices and announcements at: https://ww2.energy.ca.gov/listservers/index_cms.html. The listserve for this project is called "San Jose City Data Center" and the relevant check-box can be found under the "PROJECTS UNDER REVIEW" heading. By being on this email list, you will receive notice of all project-related events and documents pertaining to the project's review. Most notably, CEC will issue a public notice for workshops and hearings at least 10 days prior to their occurrence.

CEC's Public Advisor's Office is available to provide information on, and assistance with, public participation in CEC proceedings. The Public Advisor's Office can be reached at (916) 654-4489 or toll free in California, at (800) 822-6228, and can also be contacted via email at publicadvisor@energy.ca.gov.

CEC's Media and Public Communications Office is available for media inquiries, and can be reached at (916) 654-4989 or contacted via email at mediaoffice@energy.ca.gov

Please direct any technical questions related to the project to Leonidas Payne, Project Manager, by e-mail at leonidas.payne@energy.ca.gov.

Attachments:

Project Location Figure from SPPE Application
Site Plan Figure from SPPE Application
Project Rendering Figure from SPPE Application

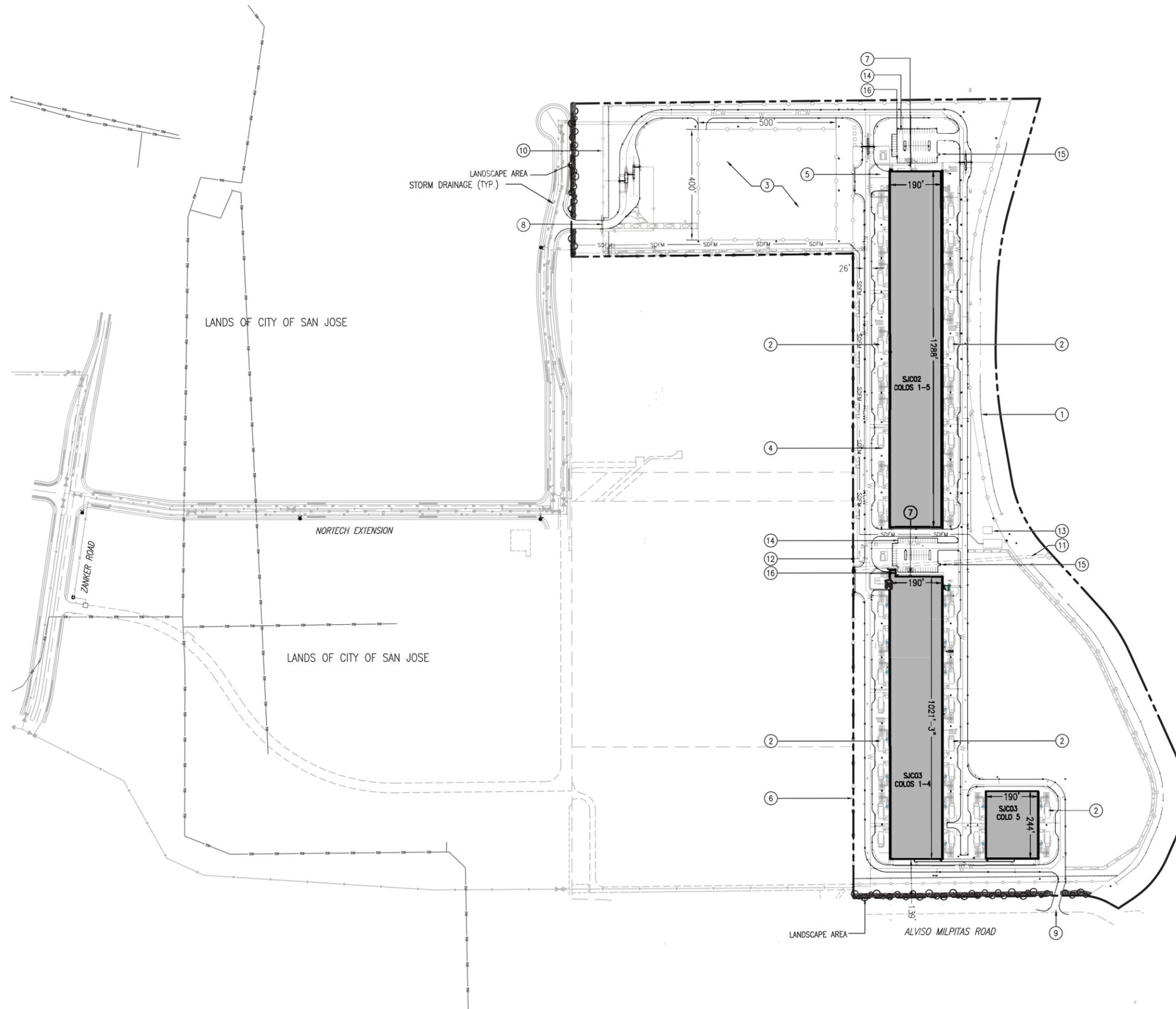


- LEGEND
- Project Site
 - Los Esteros Critical Energy Facility
 - PG&E Substation
 - Proposed Storm Drain
 - Proposed Sanitary Sewer
 - Proposed Reclaimed Water
 - Proposed Water Line Route #1
 - Proposed Water Line Route #2
 - Proposed Water Line Route #3
 - Proposed Shared Water Line
 - Proposed Electrical Supply Line

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Figure 1-2
Project Location
San José Data Center (SJC02)
San José, California





LEGEND

- Property Line and Limit of Disturbance
- 1. Bioswale
- 2. Generators/Utility Yards
- 3. Substation
- 4. Generator Pad (Typ.)
- 5. Refuse/Recycling Canopy
- 6. Property Line
- 7. ADA Entry
- 8. Site Entrance/Exit
- 9. Secondary Site Entrance/Exit
- 10. Fenced Perimeter (8')
- 11. Existing Stormwater Easement
- 12. Sanitary Pump Station
- 13. Storm Pump Station
- 14. Car Parking
- 15. Motorcycle Parking
- 16. Bicycle Parking

Figure 1-3
 Site Plan
 San José Data Center (SJC02)
 San José, California



Figure 2-5
Site Rendering
San José Data Center (SJC02)
San José, California