

**DOCKETED**

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<b>Document Title:</b>	Request for Agency Participation in the Review of the San Jose City Data Center
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**CALIFORNIA ENERGY COMMISSION**

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**TO: AGENCY DISTRIBUTION LIST**

**VIA: MAIL**

**REQUEST FOR AGENCY PARTICIPATION IN THE REVIEW OF THE 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 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 adoption of the proposed CEQA documents by the full Commission 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.

## **PROJECT WEBPAGE AND LISTSERVE**

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>.

To receive electronic notices of all project-related activities and documents related to the exemption evaluation, go to CEC's listserv web page ([https://ww2.energy.ca.gov/listservers/index\\_cms.html](https://ww2.energy.ca.gov/listservers/index_cms.html)), and check the "San Jose City Data Center" box under "PROJECTS UNDER REVIEW."

## **AGENCY PARTICIPATION**

Your agency's participation is encouraged and would consist of identifying and working to resolve issues of concern to your agency in connection with the SPPE proceeding. Pursuant to Title 20, California Code of Regulations, section 1936(d), we request any "analyses,

comments, and recommendations" on the exemption application which you wish to provide. Again, please note that should the exemption be granted, the applicant would then be responsible for obtaining all necessary local, state, and federal permits required to construct and operate the project, which may entail additional analysis by relevant permitting authorities.

You may provide comments at any time, however, pursuant to Title 20, California Code of Regulations, section 1936(d), any written comments your agency may have must be filed with CEC prior to the conclusion of the hearing, unless otherwise specified by law or by order of the presiding committee member. The date of this hearing is not yet known, but pursuant to Title 20, California Code of Regulations, section 1944(b) it should be held no later than February 21, 2020 unless otherwise directed by the presiding member. CEC will provide advance notice of the hearing via the listserve once it has been scheduled.

You may submit comments electronically. To use CEC's electronic commenting feature, go to CEC's webpage for this proceeding, cited above, click on the "Comment on this Proceeding" link, and follow the instructions in the online form. Be sure to include the project name in your comments. Once filed, you will receive an e-mail with a link to them and the comments will be part of the proceeding's public record.

If you have any questions or need additional information on how to participate in CEC's review of the proposed project, please contact Leonidas Payne, Project Manager, by email to [leonidas.payne@energy.ca.gov](mailto: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

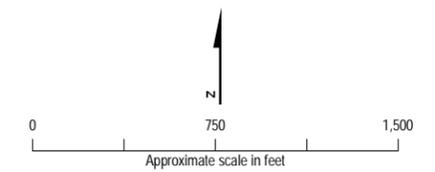
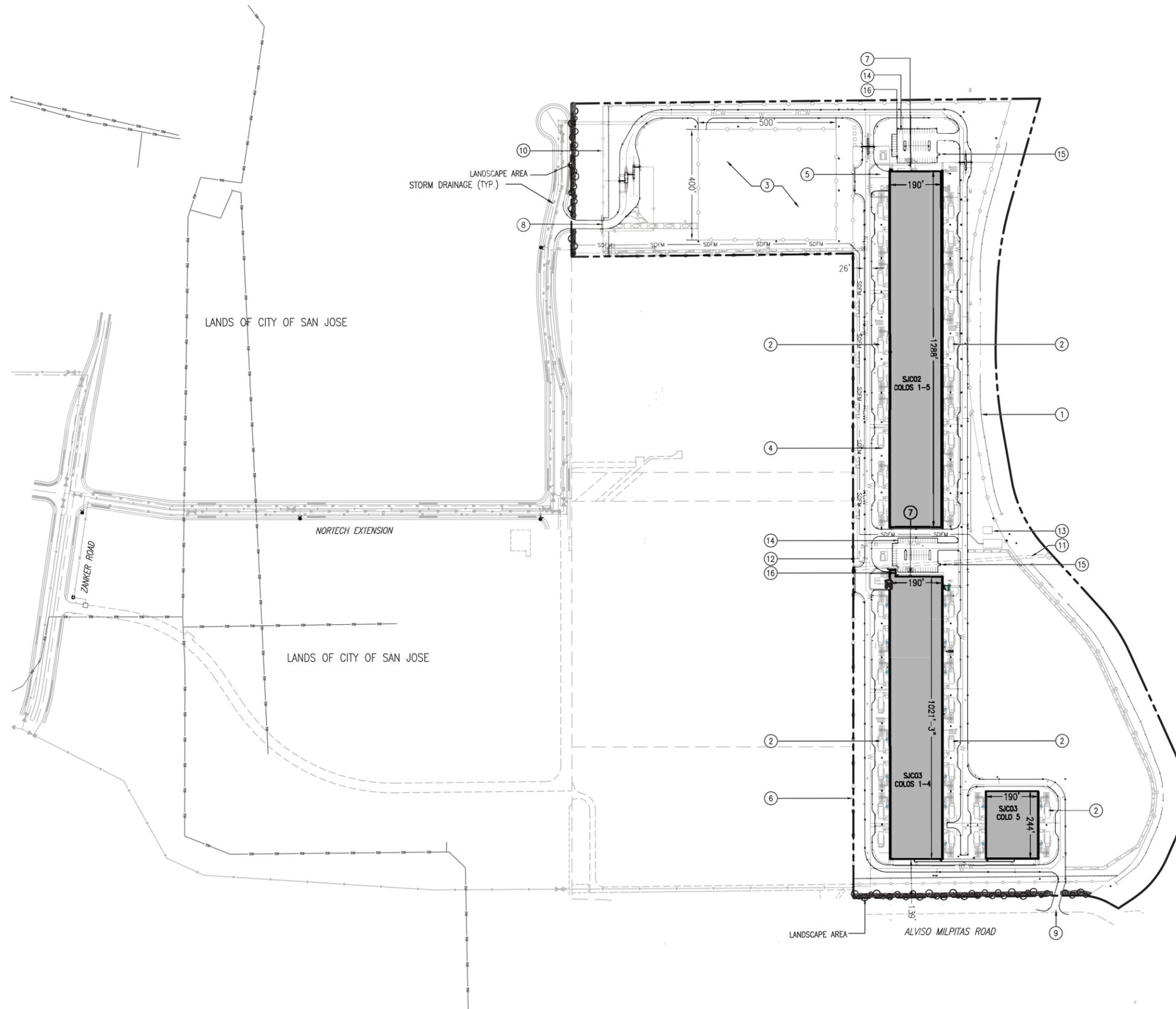


Figure 1-2  
 Project Location  
 San José Data Center (SJC02)  
 San José, California



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



**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