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STATE OF CALIFORNIA

CALIFORNIA ENERGY COMMISSION

In the Matter of:)
)
Application for Small Power Plant)
Exemption for the:)
)
San José City Data Center)

Docket No. 19-SPPE-04

**SAN JOSÉ CITY DATA CENTER
STATUS REPORT #1**

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March 25, 2020

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STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

In the Matter of:)
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Exemption for the:)
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San José City Data Center)

SAN JOSÉ CITY DATA CENTER
STATUS REPORT #1

Microsoft Corporation, the applicant (“Applicant”) for the Small Power Plant Exemption for the San José City Data Center Project submits this response and status report to *Staff’s Revised Issues Identification, Status Report and Proposed Schedule* docketed March 11, 2020 (TN#: 232375) (“Staff’s Revised Issues ID”) in accordance with the *Notice of Cancellation of Committee Conference and Order to File Late Response* docketed March 16, 2020 (TN#: 232415) (“Order”).¹

INTRODUCTION

The Applicant proposes to construct and operate the San José City Data Center (“SJC”) in San José, California. The SJC will consist of two, one-story data center buildings and related improvements. The maximum load of the servers, including the cooling and ancillary load of the buildings, is 99 megawatts (“MW”), meaning the SJC 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 Pacific Gas & Electric Company (“PG&E”), the SJC will include 42 standby generators to provide electrical power during outages. These generators will be grouped in redundant set configurations to ensure uninterrupted power for the SJC’s maximum demand. These standby generators will not deliver electricity for general consumption, but instead will be restricted to providing backup power exclusively for SJC demand in the event of an emergency.

RESPONSE TO STAFF’S ISSUES IDENTIFICATION REPORT AND ADDITIONAL DATA REQUESTS

Staff filed a Motion for Leave to File Additional Data Requests docketed on February 28, 2020 (TN#: 232269) (“First Motion for Leave”), which included a request for (1) additional information in connection with the Applicant’s initial responses to Data Request Sets 1 and 2, and (2) follow up data requests (collectively, “Data Request Set 3”).

Subsequently, Staff filed a second Motion for Leave to File Additional Data Requests docketed on March 16, 2020 (TN #232418) (“Second Motion for Leave”), which included a request in the technical area of Transportation, which: (1) sought clarification of certain issues relating to the VMT analysis provided by the Applicant, (2) requested that the Applicant consult with the City of San José (“City”) regarding potential revisions to the VMT analysis to ensure conformance with City policies relating thereto; and (3) sought information regarding potential project design modifications and/or transportation demand management (“TDM”) measures that the Applicant may incorporate to reduce project VMT per employee (collectively, “Data Request Set 4”).

¹ Pursuant to that Order, the Applicant hereby files this Status Report #1 prior to the filing deadline of 5:00 p.m. (PT), March 25, 2020.

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The Applicant hereby provides the following status update regarding its responses to the Data Request Sets 3 and 4, along with its response on the proposed schedule.

Status Regarding Responses to Data Request Set 3

As described more fully in Staff's Revised Issues ID and Data Request Set 3, Data Requests #3, 4, 5, 6, and 8 focus on the operation of the emergency generators during "maintenance" of the on-site substation transformers. The Applicant appreciates Staff's recognition (as reflected in the First Motion for Leave) that the Applicant's responses are not entirely complete because it needs information from third party entities, such as PG&E, in order to: (1) refine the description of the proposed electrical interconnection; and (2) confirm the scope of potential changes that may be required at the Los Esteros Substation.

The Applicant does not oppose Staff's Data Request Set 3, as attached to its First Motion for Leave. The Applicant is committed to continue to seek the relevant information from PG&E, and will provide available additional information in its response to Data Request Set 3, to be filed by the Applicant no later than March 30, 2020. Following is a brief summary of the status of the Applicant's efforts in this regard.

Regarding Data Requests #3, 4, 5, and 6, the Applicant has continued to seek the necessary information from PG&E, and expects to provide the CEC with a revised SPPE Figure 2-6 (One-Line Diagram) and other information in its response to Data Request Set 3² to clarify the proposed electrical interconnection as well as address Staff's concerns regarding maintenance of the on-site transformers and the design of the transmission line poles. The Applicant received additional information from PG&E regarding the SJC's interconnection request. This new information identified a thermal overload on the Newark – North Receiving Station #1 115 kV line, which requires this approximately 9-mile circuit to be reconducted to address the thermal overload. The Applicant's response to Data Request Set 3 will provide additional information on the Applicant's and PG&E's coordination efforts to identify and analyze the environmental impacts of these upstream impacts and an estimated schedule for completion of the analysis in response to these data requests.

Data Request #8 seeks additional information on the 60 kilovolt (kV) loop connection and the Northwest Loop transmission segment, to the extent relevant, in the SPPE project description section. Information regarding the foregoing electrical systems is not applicable to the SJC project because it is a typographical error, and thus is not relevant to the SPPE application; therefore it should not have been included in the SJC project description.

Regarding Data Request #19, Staff's Revised Issues ID states: "*Therefore, staff withdraws DR 19 and amends its renewed data request, DR 53, to remove DR 19 as pending information.*" However, Staff then included Data Request #19 in Data Request #53. The Applicant concurs with Staff's decision, as reflected in the Revised Issues ID, to "remove DR as pending information."

Data Requests #46, 47, and 49 seek information that the Applicant must obtain from PG&E, which the Applicant previously requested in January 2020 and again in March 2020. As described more fully therein, Data Requests #46 and 47 attempt to define the frequency of electrical outages and their anticipated impact on data centers, both of which involve activities and information that are outside of the Applicant's control. In the Applicant's response to Data Request Set 3, it will update the CEC as to any additional information that PG&E has provided

² Pursuant to the First Motion for Leave, the Applicant will file its response to Data Request Set 3 no later than March 30, 2020.

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that is responsive to the foregoing Data Requests. However, for purposes of clarity, the Applicant notes that it would not realize any additional financial or other tangible benefit from operating the standby generators outside of emergency circumstances and appropriate routine testing/maintenance, and therefore its intention is to run these emergency generators solely for those purposes. This is reflected in the SJC's project description, which indicates that the proposed standby generators will not deliver electricity for general consumption, but instead will be restricted to providing backup power exclusively for SJC demand in the event of an emergency.

Data Request #49 states: *"Please describe whether the existing Newark-Los Esteros or Metcalf-Los Esteros 230 kV circuits could be looped into the data center's onsite substation and if feasible, whether doing so would increase or decrease electric service reliability to the data center."* The Applicant previously provided available information to the CEC regarding reliability issues. However, because this request involves activities and information that are outside of the Applicant's ability to address as it does not own, control or operate these 230 kV circuits, the Applicant has requested PG&E provide a response to the foregoing Data Request; the Applicant will promptly provide this information to the CEC at such time as the Applicant receives it from PG&E.

Pursuant to Data Request #53, as described more fully above, the Applicant will provide responses regarding information sought in Data Requests #3, 3b, 4, 5, 6, 8, 8a, 19, 46, 47, and 49 in its response to Data Request Set 3.

In addition, the Applicant's response to Data Request Set 3 will provide information responsive to staff's concerns, as documented in Data Requests #54, 55 and 56.

Status Regarding Responses to Data Request Set 4

In Staff's Second Motion for Leave and as reflected in the Data Request Set 4 attached thereto, Staff requested (pursuant to Data Request #57) that the Applicant consult with City staff and submit a revised transportation analysis using the City's vehicle miles traveled (VMT) methodology, and, if necessary, identify project designation modifications and/or TDM measures to reduce project VMT per employee below all applicable significance thresholds or to the maximum extent possible.

The Applicant does not oppose Staff's Data Request Set 4, as reflected in its Second Motion for Leave. The Applicant is committed to continue to work collaboratively with the CEC and the City with respect to conducting its transportation analysis consistent with the City's adopted VMT policies within the broader framework of applicable CEQA mandates. Accordingly, the Applicant will provide available additional information in this regard in its response to Data Request Set 4, to be filed by the Applicant after further consultation with the City.³ Following is a brief summary of the status of the Applicant's efforts in this regard.

The Applicant agrees that it should continue to coordinate with the City to ensure the transportation analysis incorporates the City's adopted VMT methodology, as appropriate and as required pursuant to CEQA mandates. In so doing, given that the City previously prepared and certified an Environmental Impact Report for the project,⁴ it will be important for this methodology

³ The Applicant notes that neither the Second Motion for Leave nor the related Data Request Set 4 indicates a response deadline; therefore, the Applicant intends to consult with the City as expeditiously as feasible in order to provide to the CEC the information sought in Data Request Set 4.

⁴ See 237 Industrial Center Project, Draft Environmental Impact Report and the First Amendment to Draft EIR (Response to Comments and Text Edits) (collectively, "Project EIR"). Once an EIR has been

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to be employed within the context of this prior environmental documentation. See, e.g., Pub. Res. Code § 21166; CEQA Guideline § 15162; *Friends of the College of San Mateo Gardens v. San Mateo County Community College Dist.* (2016) 1 Cal. 5th 937, 949; *Bowman v. City of Petaluma* (1986) 185 Cal.App.3d 1065, 1073. Moreover, the Applicant is committed to further consultation with the City to determine whether any project design features and/or TDM strategies should be explored to further reduce the SJC’s transportation impacts, with this consideration taking into account the applicable requirements under CEQA as well as the City’s VMT policies.

Schedule

Given that the Applicant’s responses to Data Request Sets 3 and 4 depend, in large part, on the receipt of information and/or further coordination with other entities (i.e., PG&E and the City), the Applicant hereby confirms its agreement with the proposed schedule set forth in Staff’s Revised Issues ID.

March 25, 2020

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certified for a project, the lead agency may not require preparation of a subsequent or supplemental EIR unless of one of three triggering conditions exists, which determination must be based on substantial evidence in the record. See Pub. Res. Code § 21166; CEQA Guideline § 15162. These constraints on additional environmental review are “designed to balance CEQA’s central purpose of promoting consideration of the environmental consequences of public decisions with interests in finality and efficiency.” *Friends of the College of San Mateo Gardens v. San Mateo County Community College Dist.*, 1 Cal. 5th at 949.