DOCKETED	
Docket Number:	19-SPPE-05
Project Title:	Mission College Data Center SPPE
TN #:	233079
Document Title:	Bay Area Air Quality Management District Comments - Comment Letter for Mission College Data Center MND
Description:	N/A
Filer:	System
Organization:	Bay Area Air Quality Management District
Submitter Role:	Public Agency
Submission Date:	5/21/2020 4:50:46 PM
Docketed Date:	5/21/2020

Comment Received From: Bay Area Air Quality Management District
Submitted On: 5/21/2020
Docket Number: 19-SPPE-05

Comment Letter for Mission College Data Center MND

Additional submitted attachment is included below.

May 21, 2020

Leonidas Payne
Siting, Transmission and Environmental Protection Division
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

RE: Mission College Data Center Project – Initial Study and Proposed Mitigated Negative Declaration

Dear Mr. Payne,

Bay Area Air Quality Management District (Air District) staff has reviewed the Initial Study and Proposed Mitigated Negative Declaration (MND) for the proposed Mission College Data Center (Project). The project applicant, Oppidan Investment Company, proposes to construct two, three-story data center buildings encompassing a total square footage of 490,000, and a back-up energy generating facility with a generation capacity up to 78.1 megawatts (MW) in the City of Santa Clara. As the lead agency, the California Energy Commission (CEC) can grant the project applicant a Small Power Plant Exemption if it finds that the proposed project would not create a substantial adverse impact on the environment or energy resources. The Project will require Air District approval of an Authority to Construct and Permit to Operate the back-up diesel generators, and, as such, the Project will be required to comply with all applicable Air District regulations. Beyond Air District regulatory requirements, however, we encourage CEC to promote the project applicant to adopt the use of cleaner, non-diesel technologies. Additionally, we are providing the following comments as suggestions on how CEC could enhance its CEQA analysis and minimize emissions from the Project and future proposed data centers.

Consistency with Long-Term State Climate Goals

The MND states that the Project's greenhouse gas (GHG) emissions would not be cumulatively considerable because the Project "would conform with all applicable plans, policies, and regulations adopted for the purpose of GHG reductions," including California's carbon neutrality goal no later than 2045 pursuant to Executive Order (EO) B-55-18 and the City of Santa Clara's 2030 Climate Action Plan (CAP). However, although the MND states that "The project's use of diesel fuel would not obstruct SVP's [Silicon Valley Power's] ability to meet the requirements of SB 100," the MND does not evaluate how the Project's use of diesel fuel would be consistent with carbon neutrality no later than 2045. The Air District does not

believe that diesel use is consistent with carbon neutrality. If upon further evaluation CEC deems that deployment of 45 diesel back-up generators is indeed inconsistent with the State's carbon neutrality target, the Air District recommends that CEC compel the project applicant to consider alternative zero emitting technologies, commit to procuring renewable fuel, purchase offsets, or a combination of the three.

In addition, the MND states that "[t]he GHG emissions that would be generated by the project would not be a 'cumulatively considerable' contribution under CEQA" because "the operation for MCDC [Mission College Data Center] would conform to the City of Santa Clara's Climate Action Plan extended to at least 2030…" The Air District does not agree with this conclusion since the City of Santa Clara has not yet adopted its 2030 CAP, and it is unclear what measures will be included in the CAP and whether they will be mandatory.

Recommendations for Achieving Additional Emissions Reductions

To the extent that further analysis concludes the Project's emissions would be cumulatively considerable or inconsistent with the State's climate goals and the City's current Climate Action Plan, the Project may need to incorporate mitigation measures to reduce emissions. Even if the revised analysis does not conclude the Project's emissions will be cumulatively considerable, the Air District encourages CEC to compel the applicant to incorporate additional emission reduction measures as a condition of approval of the Project. These recommended measures will help ensure that the Project's emissions impacts are reduced to the maximum extent possible to achieve the most health protective air quality for Bay Area residents and to achieve climate change goals established by the Air District.

The GHG emissions analysis in the MND estimates that the Project would generate 1,231 $MTCO_2e$ during construction, 3,875 $MTCO_2e$ per year for readiness testing and maintenance of the back-up generators, and 136,384 $MTCO_2e$ per year from operation of the data center (e.g., electricity use and other non-stationary sources). The MND concludes that the Project's GHG emissions "would not be a 'cumulatively considerable' contribution under CEQA" and that the Project's emissions "…are determined to have less than significant impacts."

The MND identifies the predominant source of the Project's GHG emissions as electricity use, which would be provided by the city-operated, publicly-owned utility, Silicon Valley Power (SVP). Although SVP has a higher power mix of renewable energy sources than the Statewide power mix, the Project could significantly reduce GHG emissions by purchasing all its electricity from renewable sources. Specifically, Air District staff recommend that the Project join SVP's Santa Clara Green Power program and thus commit to purchase 100 percent renewable energy, or otherwise negotiate an electricity contract with SVP for 100 percent renewable energy.

According to the MND, the Project would include 43 Tier 2 diesel back-up generators, designed to provide 24 hours of emergency generation at full demand, in addition to two house power

diesel engines. At this time, data center projects using Tier 2 diesel back-up generators may be permitted by the Air District, as long as the project complies with all air quality rules and regulations. However, to meet State and regional climate goals, the Air District encourages projects go above and beyond permitting requirements. In September 2018, the Air District launched Diesel Free by '33 to eliminate diesel emissions from our communities. Mayor Lisa Gillmor of the City of Santa Clara signed Diesel Free by '33 to pledge the City's commitment to cut diesel use to zero by the end of 2033. To this end, the Air District recommends that CEC compel the project applicant use the cleanest available technologies such as solar battery power, fuel cells, or Tier 4 generators.

Air District staff understands that several data centers of similar size and accompanying back-up diesel generators are planned for development in the area. That being the case, Air District staff recommends that CEC assess how power plant projects such as the back-up generators associated with these data centers will meet the electricity sector's share of the statewide goals in the Scoping Plan.

Lastly, Air District staff strongly recommends that CEC work with SVP, the City of Santa Clara, the Air District, and the project proponents for this and similar proposed data center projects to explore alternative options to reducing GHG emissions. For example, the Air District awarded a Climate Protection Grant of $300,000 to SVP to conduct a pilot project to demonstrate the viability of replacing data center back-up diesel generators with electric energy storage systems, and CEC has previously provided Electric Program Investment Charge (EPIC) awards for data center microgrids. We also encourage proponents of the Project and future data centers to seek available grant funding for zero-emitting alternatives to diesel back-up generators.

Air District staff is available to assist CEC in addressing these comments. If you have any questions or would like to discuss Air District recommendations further, please contact Jakub Zielkiewicz, Advanced Projects Advisor, at (415) 749-8429 or jzielkiewicz@baaqmd.gov.

Sincerely,

Greg Nudd
Deputy Air Pollution Control Officer

cc: BAAQMD Director Margaret Abe-Koga
BAAQMD Vice Chair Cindy Chavez
BAAQMD Director Liz Kniss
BAAQMD Chair Rod G. Sinks