

DOCKETED

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NOTICE OF PREPARATION

Notice of Preparation of a Draft Environmental Impact Report¹

The California Energy Commission (CEC) is the lead agency under the California Environmental Quality Act (CEQA) and will prepare an environmental impact report (EIR) for the Great Oaks South Backup Generating Facility (20-SPPE-01) and Great Oaks South Data Center (collectively "the project"), proposed in the City of San Jose. The CEC needs to know the views of your agency as to the scope and content of the environmental information which is germane to your agency's statutory responsibilities in connection with the proposed project. Your agency will need to use the EIR prepared by our agency when considering your permit or other approval for the project.

In accordance with Title 14, California Code of Regulations, section 15082, the CEC staff has prepared this notice of preparation (NOP) to inform agencies and interested parties that an EIR will be prepared for the above-referenced project. The purpose of an NOP is to provide sufficient information about the project and its potential environmental impacts to allow agencies and interested parties the opportunity to provide a meaningful response related to the scope and content of the EIR, including mitigation measures that should be considered and alternatives that should be addressed (Cal. Code Regs., tit. 14, § 15082[b]).

The CEC has the exclusive authority to certify all thermal power plants (50 megawatts [MW] and greater) and related facilities proposed for construction in California. The Small Power Plant Exemption (SPPE) process allows applicants with facilities between 50 and 100 MW to obtain an exemption from CEC's jurisdiction and proceed with local permitting 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. Public Resources Code section 25519(c) designates CEC as the lead agency, in accordance with CEQA, for all facilities seeking an SPPE.

Your agency may have previously received notification of this project by the CEC, including a request for agency participation. CEC staff has determined that the preparation of an EIR is necessary for this project. Consistent with CEQA section 15082 (c), staff will be scheduling a public scoping meeting to "expedite the consultation" with agency representatives "to assist [CEC staff] in determining

¹ California Code of Regulations, Title 14, (CEQA Guidelines) Sections 15082(a), 15103, 15375.

the scope and content of the environmental information that the responsible or trustee agency may require.” This meeting will be held remotely via Zoom and the details about how to participate will be sent to you shortly.

Submitting Comments

Due to the time limits mandated by State law, your response must be sent at the earliest possible date but not later than 30 days after receipt of this notice. We will need the name for a contact person in your agency. You may submit comments electronically through the CEC's electronic commenting feature, or directly to Lisa Worrall at lisa.worrall@energy.ca.gov. To submit comments through the CEC's electronic commenting feature, go to CEC's webpage for this proceeding: <https://ww2.energy.ca.gov/sitingcases/greatoakssouth/>, 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. You can also sign up for the project's listserv to receive notices of all project-related activities and documents through the CEC webpage for this proceeding, listed above.

If you have any questions or need additional information on how to participate in CEC's review of the proposed project, please contact Lisa Worrall, Senior Environmental Planner, by email provided above.

The project location, description, and potential environmental effects are summarized below.

Project Location

The project is proposed at 123, 127, and 131 Great Oaks Boulevard in the City of San Jose. The project site is bounded by San Ignacio Avenue, Via Del Oro, and Great Oaks Boulevard.

Project Description

SV1, LLC, a wholly owned subsidiary of Equinix, LLC (SV1 or applicant) filed an application with the CEC seeking an exemption from the CEC's jurisdiction (Small Power Plant Exemption, or SPPE) for the Great Oaks South Backup Generating Facility (GOSBGF) (20-SPPE-01). The GOSBGF would be part of the Great Oaks South Data Center (GOSDC) to be located in the City of San Jose. The project was approved by the city on February 1, 2017, but not constructed. Since its approval, SV1, LLC has made project design changes and is now seeking approval of an SPPE for the GOSBGF.

The GOSDC would consist of three 182,350 square foot, two-story data center buildings. The project site is approximately 18-acres in size.

The GOSBGF would consist of 36 3.25-MW diesel-fired generators in six generation yards that would each be separately electrically interconnected to the three data center buildings. The GOSBGF would be used exclusively to provide backup generation and uninterruptible power supply for the GOSDC, and other than for routine maintenance and testing, would only operate in the event of a failure of the electrical service from Pacific Gas and Electric Company (PG&E) to the data center. In addition, the GOSBGF would include three life safety diesel fired generators, each capable of generating 0.50 MW. GOSBGF would have a generating capacity of up to 99.0 MW.

The GOSDC would connect to a new PG&E substation via five new 21 kilovolt (kV) distribution feeders that would extend underground either along Via Del Oro or along Great Oaks Boulevard, or via both routes to the project site. The California Public Utilities Commission has granted PG&E approval to construct the new substation, which is called the "Santa Teresa Substation". Project figures are attached (Regional Map, Aerial Photograph and Surrounding Land Uses, and Site Plan).

Land Use

The project site is designated as Industrial Park and Transit Employment Center.

Potential Environmental Impacts

No Impact

The project would have no impacts in the technical areas of agriculture and forestry resources, mineral resources, and wildfire.

Less Than Significant Impact

Project impacts in the technical areas of aesthetics, energy and energy resources, hazards and hazardous materials, hydrology and water quality, land use and planning, noise, population and housing, public services, recreation, and utilities and service systems would be less than significant.

Less Than Significant With Mitigation or Potentially Significant Impact

Air Quality

(including Public Health)

The proposed project would be located in Santa Clara County in the San Francisco Bay Area Air Basin (SFBAAB), under the jurisdiction of the Bay Area Air Quality Management District (BAAQMD). The SFBAAB is in non-attainment for ozone and particulate matter (PM) ambient air quality standards. The backup diesel generators proposed for the project would result in diesel PM emissions and emissions of ozone precursors (nitrogen oxides [NO_x] and reactive organic gases [ROG]). The NO_x emissions of the project may result in significant air quality impacts under BAAQMD's CEQA significance threshold and require mitigation; however, CEC staff has not completed its analysis of the significance of the project's potential impacts and is yet to reach a definitive conclusion.

The EIR will discuss whether the project would result in potential cumulatively considerable net increase of a criteria pollutant(s) for which the project region is non-attainment under an applicable federal or state ambient air quality standard. The EIR will also discuss whether the project would: conflict with or obstruct implementation of the applicable air quality plan; expose sensitive receptors to substantial pollutant concentrations, including impacts from criteria pollutants and toxic air contaminants; or result in other emissions (such as those leading to odors) adversely affecting a substantial number of people. If project impacts related to air quality and public health are determined to be significant, mitigation will be identified to reduce impacts to a less than significant level, as feasible.

Biological Resources

The project's incremental effects to federally-listed species and other rare plants would be a cumulatively considerable significant impact due to habitat modification (increase in non-native weed invasions). This impact would be caused by nitrogen deposition on sensitive serpentine habitat from point source emissions from the testing and maintenance of the backup generators. Serpentine habitat in the Santa Teresa Hills, Tulare Hill, and Coyote Ridge areas support populations of the Bay checkerspot butterfly (federally threatened), Santa Clara Valley dudleya (federally endangered and rare plant rank 1B.1), Metcalf Canyon jewelflower (federally endangered and rare plant rank 1B.1), along with three rare plants: fragrant fritillary, smooth lessingia, and most beautiful jewelflower (rare plant rank 1B.2). This impact could be reduced to less than significant with the incorporation of proposed mitigation. CEC staff is

working with regulatory agencies (Santa Clara Valley Habitat Agency, California Department of Fish and Wildlife, and United States Fish and Wildlife Service) to finalize a mitigation measure that would mitigate point source nitrogen deposition emission impacts to less than significant.

Cultural and Tribal Cultural Resources

The applicant identified one artifact (a piece of stone tool-flaking waste) on the project area's surface; however, this artifact does not meet CEQA's criteria for a historical resource or unique archaeological resource. Staff's literature review reveals that numerous archaeological sites are located in the project vicinity, some of which previous investigators only found below the ground surface after project excavations started. The buried archaeological sites are in environments that have a history of soil formation similar to the project area. While staff did not identify any tribal cultural resources in consultation with California Native American tribes or through communication with the Native American Heritage Commission, tribal cultural resources could exist in similar contexts as buried prehistoric archaeological sites. Ground disturbance proposed as part of the project could encounter and damage buried resources that meet CEQA's criteria for historical, unique archaeological, or tribal cultural resources. The resulting impacts would likely be significant under CEQA. CEC staff is crafting measures to avoid or otherwise mitigate these impacts.

Geology and Soils

The project site is in the Santa Clara Valley, an area known to have scientifically significant but widespread or intermittent fossil discoveries. Surficial sediment at the project site is generally not considered sensitive for paleontological resources, because biological remains younger than 10,000 years are not usually considered fossils. However, Pleistocene age (2.6 million to 11,700 years before present) sediments may also be present at or near the surface. Although unlikely, paleontological resources could be encountered during construction requiring earth moving, such as grading, trenching for utilities, excavation for foundations, and installation of support structures where native soil would be disturbed. The EIR will discuss the project's potentially significant impacts due to the possible direct or indirect destruction of a unique paleontological resource if discovered during project construction. These impacts could be reduced to less than significant levels with the incorporation of proposed mitigation. CEC staff is crafting a mitigation measure that would mitigate impacts to less than significant.

Greenhouse Gas Emissions

The project would result in greenhouse gas (GHG) emissions from three categories of activities: direct emissions from construction, direct emissions from the testing and maintenance of the backup diesel generators, and indirect emissions from the data center's electricity use. CEC staff expects the temporary direct emissions from construction will be adequately addressed through the use of best management practices. To address the indirect emissions from the data center's electricity use, the project applicant has proposed to purchase the 80 percent clean energy portfolio offered by San Jose Clean Energy. San Jose's clean energy plan, however, relies on customers to use the 100 percent clean energy portfolio in order to ensure the city will meet the state's 2030 GHG targets. Staff will be exploring whether a change in the energy portfolio is necessary to avoid a potential significant impact and whether this purchase should be extended to clients of the data center as well. Lastly, staff will be exploring whether BAAQMD's current threshold of significance is still applicable to the backup generator emissions and, if not, what threshold should apply and, if mitigation is determined to be necessary, what options are available.

Transportation

The EIR will discuss the project's potentially significant impacts from vehicle miles traveled (VMT). The project-generated VMT per employee (14.51) is greater than the City of San Jose's threshold of 14.37 VMT per employee for industrial uses. CEC staff is anticipating the applicant will work with the City of San Jose to prepare a transportation analysis report in accordance with the City's Transportation Analysis Handbook, which will identify appropriate mitigation to reduce transportation impacts to less than significant.

Responsible Agencies

Responsible agencies for this project are the Bay Area Air Quality Management District and the City of San Jose. The project will require the following approvals and permits if exempted:

- Bay Air Quality Management District – authority to construct and permit to operate
- City of San Jose – Special Use Permit and encroachment permit

Trustee Agencies

Trustee agencies for this project are the California Department of Fish and Wildlife and the Santa Clara Valley Habitat Agency.

Alternatives to be Evaluated in the EIR

The EIR will consider a reasonable range of potentially feasible alternatives to the project. In addition to a no project alternative, the EIR will consider fuel cell technology, battery storage, alternative fuel (renewable diesel), Tier 4 emissions controls, natural gas internal combustion engines, and an alternative site location.

Attachments (from the SPPE application):

Regional Map (Figure 1.1-1)

Aerial Photograph and Surrounding Land Uses (Figure 1.1-3)

Site Plan (Figure 2.2-1)

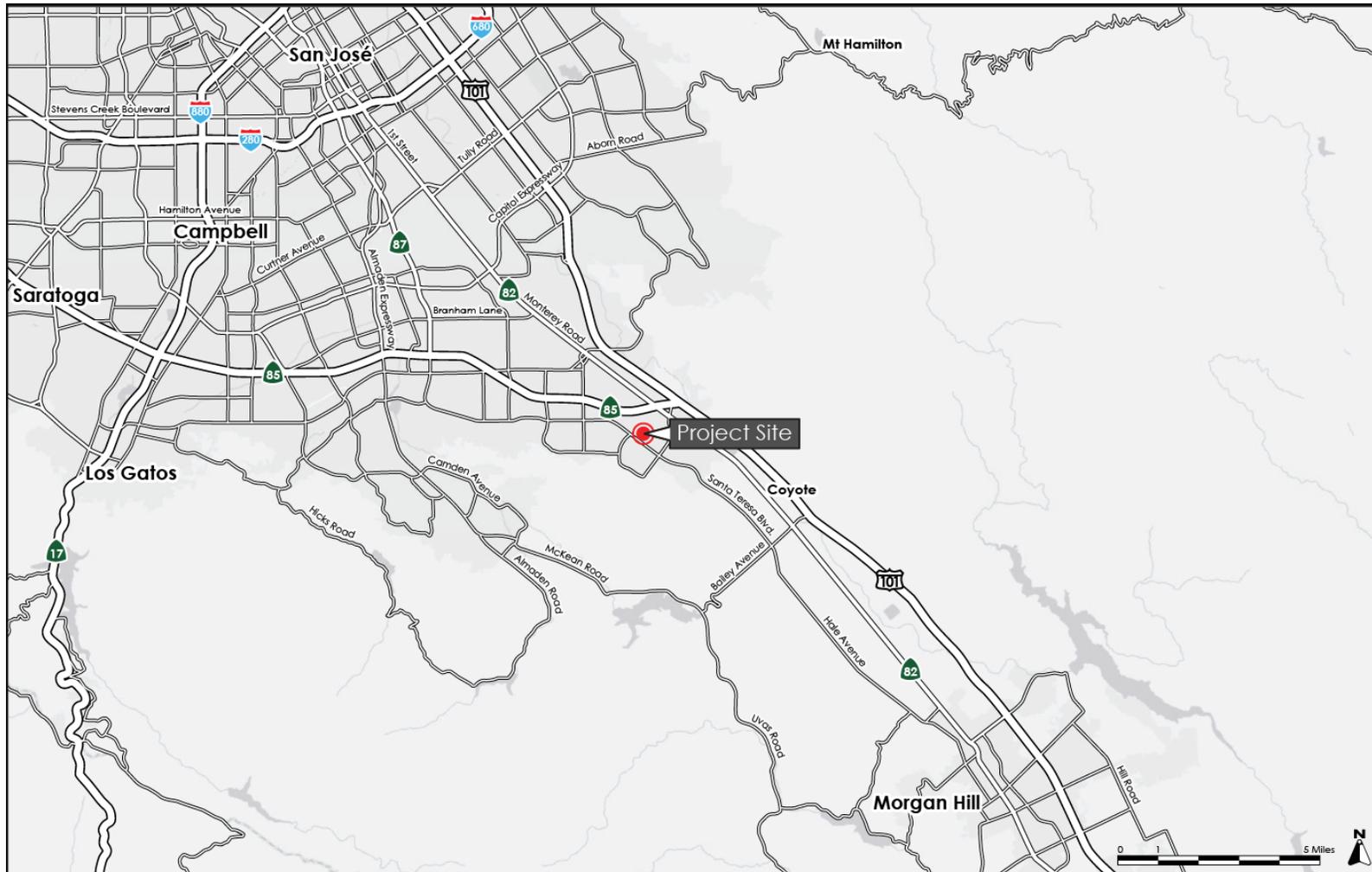


Figure 1.1-1
Regional Map

Sources: SV1 2020a



Figure 1.1-3
Aerial Photograph and
Surrounding Land Uses

Sources: SV1 2020a

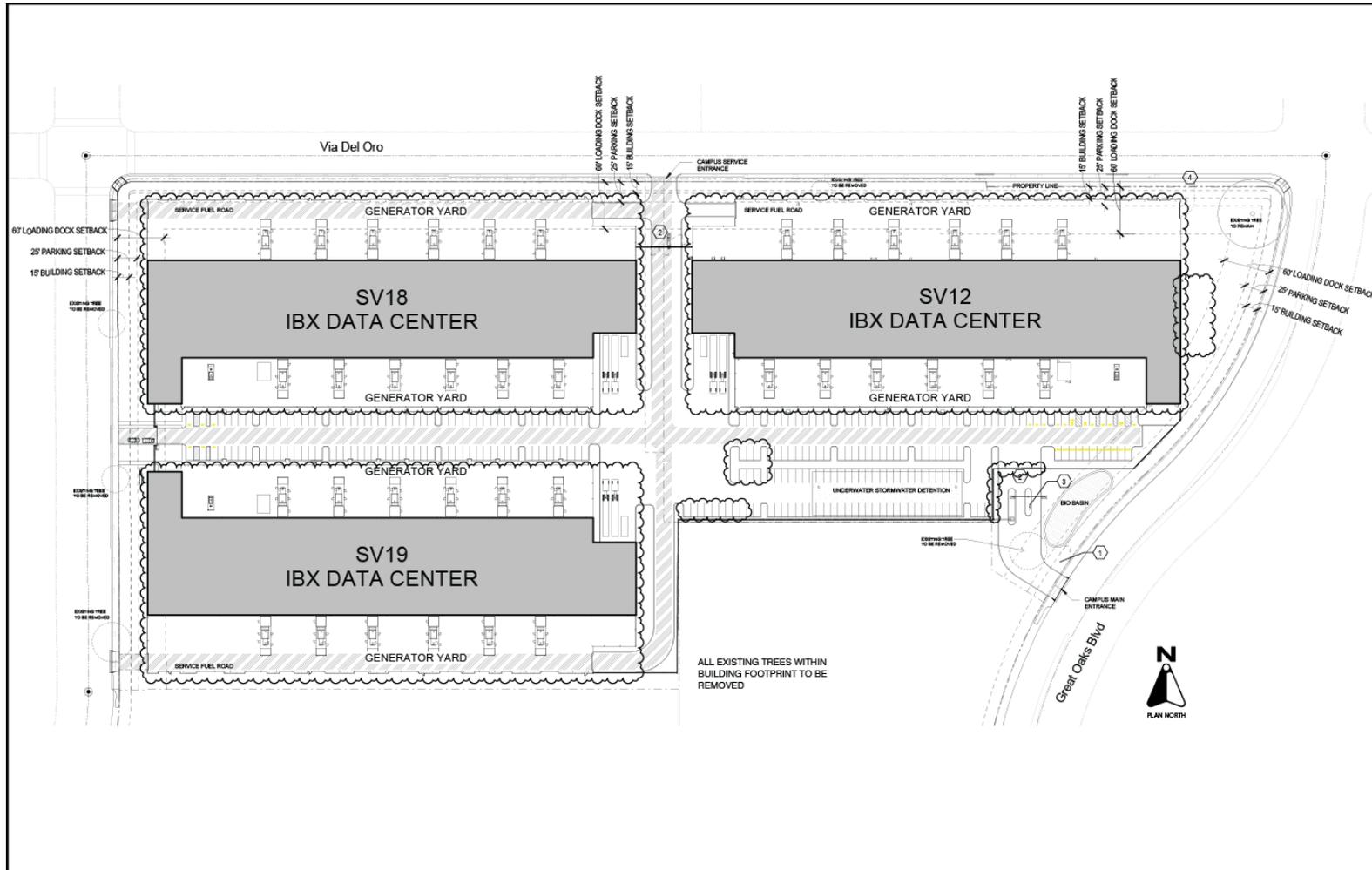


Figure 2.2-1
Site Plan

Sources: SV1 2020a