

**DOCKETED**

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<b>Project Title:</b>	Great Oaks South Backup Generating Facility Small Power Plant Exemption
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<b>Description:</b>	For Great Oaks South Backup Generating Facility
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**M e m o r a n d u m**

**To:** Commissioner Karen Douglas, Presiding Member  
Chair David Hochschild, Associate Member

**Date:** January 11, 2021

**From: California Energy Commission**  
**1516 Ninth Street**  
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**Subject: STATUS REPORT #5 FOR THE GREAT OAKS SOUTH BACKUP GENERATING FACILITY SMALL POWER PLANT EXEMPTION (20-SPPE-01)**

In the *Committee Conference and Related Orders* filed on September 23, 2020, the Committee ordered "the parties to file a status report no later than the 10<sup>th</sup> of each month, beginning on September 10, 2020."

On December 11, 2020, California Energy Commission (CEC) staff hosted a continuation of the public scoping meeting held on November 17, 2020 to solicit comments on the content and scope of the environmental areas in the Environmental Impact Report (EIR). Representatives from Bay Area Air Quality Management District (BAAQMD), California Air Resources Board (CARB), City of San Jose, as well as the public participated. Staff, the applicant, BAAQMD, and CARB engaged in discussions in the technical areas of Air Quality, Greenhouse Gas Emissions, and Alternatives. Staff did not receive any additional filed comments during the extended comment period (December 18, 2020).

On December 21, 2020, CEC Executive Director, Drew Bohan, received a letter from the BAAQMD stating that for large diesel engines at least or greater than 1,000 brake horsepower, Tier 4 engines are best available control technology (BACT). The project currently does not propose Tier 4 engines; staff has informally learned that the applicant is considering modifying the project description to propose these engines.

As previously detailed in Staff's Status Report #2 on October 9, 2020, staff is waiting on responses associated with Data Request Set #2. Specifically, staff anticipates receiving a City of San Jose Public Works-approved final Transportation Analysis report including a detailed vehicle miles traveled analysis, a Transportation Demand Management Plan, and a Local Transportation Analysis from the applicant.

Staff continues to work on the EIR and is reviewing the comments received in response to the Notice of Preparation.

### Summary of 12/11/20 Continued Scoping Meeting – Air Quality and Greenhouse Gas Emissions Discussions

The Air Quality and Greenhouse Gas Emissions discussions included participation from CEC staff, the applicant, BAAQMD (Jakub Zielkiewicz) and CARB (Courtney Graham and Thomas Andrews).

The following is a summary of these discussions from the meeting<sup>1</sup>:

#### **Air Quality- Use of nitrogen oxides (NOx) offsets when Determining Significance of Impacts**

Staff asked whether CARB still objects to staff's use of the BAAQMD methodology with the NOx emission reduction credits (ERCs) to reduce the facility emissions to below BAAQMD significance thresholds, as CARB commented on the Sequoia Backup Generating Facility. CARB staff requested that the details of the NOx emission offsets (i.e., the ERC certificates, the locations, the types of facilities that were controlled or shut down that are associated with the ERC certificates, and the dates when the reduction occurred) be identified for full disclosure purposes. CARB staff also requested the project daily emissions to be calculated and compared to the average daily significance thresholds in the BAAQMD 2017 CEQA guidelines, in addition to staff's normal practice showing the comparison of annual emissions with annual significance thresholds. Staff agreed to add the comparison of the project's daily emissions to the average daily significance thresholds in the BAAQMD 2017 CEQA guidelines. Staff explained that the CEC's role here is limited to considering whether to exempt the project from its permitting process and the applicant would not actually purchase ERCs until it goes to get the permit from the district, as pinning down exactly which ERCs are used is not important for the CEQA analysis. However, staff will contact BAAQMD to see if they would be able to provide the detailed information about the ERCs.

#### **Greenhouse Gas Emissions- Routine maintenance and testing**

Staff asked whether the current BAAQMD significance threshold of 10,000 metric tons of carbon dioxide equivalent per year (MTCO<sub>2</sub>e/yr) is applicable to the Great Oaks South Backup Generating Facility. Both the applicant and other agencies agreed that this threshold is appropriate to use now. Staff also asked the applicant to fill out the development compliance checklist included in the recently approved 2030 Greenhouse Gas Reduction Strategy. The applicant agreed to fill out the checklist with all supporting documentation.

#### **Greenhouse Gas Emissions- Electricity use**

Staff asked whether the project will participate in the City of San Jose's Total Green program (100 percent clean energy) to avoid a potential significant Greenhouse Gas Emissions impact, as the city's reduction strategy appears to rely on the majority of

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<sup>1</sup> CEC staff used notes from the meeting to develop this summary.

projects subscribing to this plan as a key mechanism for meeting its 2030 reduction goals. The applicant indicated it does not plan to enroll into this program and stated it will provide a detailed description on how the project would meet all GHG requirements without enrolling in this program.

### **Greenhouse Gas Emissions- Emergency Operations**

Staff asked the applicant to estimate greenhouse gas emissions and describe the mitigation measures, if any, needed to address potential impacts during emergency operation. The BAAQMD representative also encouraged staff to take into consideration the emissions and impacts of emergency operations. The applicant believes the emergency operations are very infrequent so that the additional complex calculations and modeling are not necessary.