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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
APPLICANT STATUS REPORT #19**

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September 15, 2021

Attorneys for Microsoft Corporation

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APPLICANT STATUS REPORT #19**

Microsoft Corporation, the applicant (“Applicant”) for the Small Power Plant Exemption for the San José City Data Center Project submits this status report in accordance with the *Committee Scheduling Order* docketed May 13, 2020 (TN: 232976) (“Order”).

INTRODUCTION

The Applicant proposes to construct and operate the San José City Data Center (“SJC02”) in San José, California. The SJC02 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 SJC02 is subject to the California Energy Commission (“CEC” or “Commission”) Small Power Plant Exemption (“SPPE”) process.

Reassessment of Generation Technology

The Applicant filed a Revised SPPE Application and supporting technical appendices on August 20, 2021 to identify that the project would replace the originally proposed diesel-fired emergency backup generation technology with natural gas generators. (Transaction Numbers 239409 to 239413 and 239419 to 239422). As identified in the Revised SPPE Application, the Applicant proposes to utilize these natural gas generators to provide emergency backup generation, in addition to grid support through load shedding, demand response, and behind-the-meter resource adequacy ancillary services. The Revised SPPE Application provides additional environmental analysis and data demonstrating that the modifications of the project to utilize natural gas generators will not result in any substantial adverse impact on the environment or energy resources.

On September 10, the Hearing Officers for the Committee requested that the parties provide further explanation of how the proposed project changes related to use of natural gas generators will affect the scope of the environmental analysis and the project schedule. (Transaction Number 239663).

The Revised SPPE Application and supporting technical appendices contain a full environmental analysis of the revisions for every technical area that could be affected by the modifications to support the switch to natural gas generators. These include:

1. Aesthetics – includes the addition of natural gas infrastructure to analysis and confirmation that the smaller, yet larger quantity of natural gas generators would not affect the previous Aesthetic Analysis.

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2. Air Quality and Public Health – includes a complete supplemental air quality and health risk technical analyses which demonstrate all effects are less than those identified for the original configuration.
3. Biological Resources – includes a modified nitrogen deposition analysis which demonstrated much lower nitrogen deposition rates over a much smaller area nearer to the project boundary.
4. Greenhouse Gas Emissions – includes analysis and demonstration of compliance with City of San Jose changes to ordinances applicable to natural gas infrastructure and newly adopted City of San Jose 2030 GHG Reduction Strategy; identification that the facility would be subject to CARB Cap and Trade Program for increased GHG emissions if the maximum operating hours of the proposed natural gas generators are realized and including new Project Design Measure GHG-PD-1 to ensure compliance.
5. Land Use and Planning – includes analysis and demonstration of compliance with City of San Jose changes to ordinances applicable to natural gas infrastructure.
6. Noise – includes updated noise analysis demonstrating that the proposed operations for the natural gas generators would not result in significant noise impacts.
7. Recreation – includes updates to reflect the location and length of the proposed bike trail construction.
8. Transportation – includes updates to reflect the City of San Jose Approved Transportation Analysis which includes a Vehicle Miles Travel (VMT) assessment and several proposed Mitigation Measures to ensure transportation impacts are mitigated to less than significant levels.
9. Utilities and Service Systems – includes an assessment of the natural gas usage and infrastructure and updated water and wastewater quantities.

Applicant believes that the changes provided in the Revised SPPE Application will not affect the substance of the environmental analyses that Staff has completed for the following technical areas and therefore were not included in the Revised SPPE Application¹:

1. Agriculture and Forestry Resources
2. Cultural Resources
3. Energy
4. Geology and Soils
5. Hazards and Hazardous Materials
6. Hydrology and Water Quality
7. Mineral Resources
8. Population and Housing
9. Public Services
10. Tribal Cultural Resources
11. Wildfire
12. Environmental Justice

¹ Applicant does acknowledge that any reference to diesel-fired backup generators would need to be modified to reflect the proposed natural gas generators including the addition of two natural gas pipeline routes would need to be made in any environmental technical area even where new analysis is unnecessary.

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The Revised SPPE Application provides a thorough environmental analysis of the project modification to utilize natural gas generators, which analysis demonstrates this modification will not result in significant environmental impacts. To assist Staff in revising the portions of the Draft Environmental Impact Report (DEIR) that were already prepared, a redline version of the modifications to the original SPPE Application were included in the Revised SPPE Application as **Appendix 1D**.

This week the CEC Staff filed a new Data Request #6, dated September 14, which seeks additional information from the applicant regarding the use of the natural gas generators. (Transaction Numbers 239692 and 239719.) Staff have requested responses to the Data Request within 30 days.

Applicant will provide responses to Data Request #6 on or before October 14 and expects the DEIR can be completed within 60 days thereafter.²

Traffic Analysis

The Applicant submitted the final Traffic Analysis, including responses to the City of San José' comments (Transaction Number 239309), on September 3, 2021 (Transaction Number 239597). This response also includes the project changes reflected in the Revised SPPE Application submitted on August 20, 2021.

September 15, 2021

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² The current scheduling order requires the DEIR to be published within 30 days of the Applicant providing information responsive to Staff's requests.