DOCKETED	
Docket Number:	21-SPPE-02
Project Title:	STACK Trade Zone Park
TN #:	243460
Document Title:	Notice of Preparation of a Draft Environmental Impact Report and Agency Request for Participation
Description:	Mailed to agency mail list June 6, 2022. Notice of Preparation comment period June 7, 2022 to July 6, 2022.
Filer:	Marichka Haws
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	6/7/2022 9:49:48 AM
Docketed Date:	6/7/2022

CALIFORNIA ENERGY COMMISSION

NOTICE OF PREPARATION

Notice of Preparation of a Draft Environmental Impact Report and Agency Request for Participation

In accordance with California Code of Regulations, title 14, section 15082, California Energy Commission (CEC) staff has prepared this Notice of Preparation (NOP) to inform the Office of Planning and Research (OPR) and each responsible and trustee agency that an Environmental Impact Report (EIR) will be prepared for the Trade Zone Boulevard Technology Park (STACK Trade Zone Park) (21-SPPE-02) proposed in the city of San Jose. The STACK Trade Zone Park would include an advanced manufacturing building, the SVY Data Center, the SVY Backup Generating Facility, a parking garage, and related utility infrastructure, which together constitute the "project" under the California Environmental Quality Act (CEQA).

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 proposing facilities not exceeding 100 MW to obtain an exemption from the CEC's jurisdiction and proceed with local permitting rather than requiring the CEC's certification. The 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 the CEC as the lead agency, in accordance with CEQA, for all facilities seeking an SPPE.

Your agency's participation is encouraged and would consist of identifying and working to resolve issues of concern to your agency in connection with the SPPE proceeding. Pursuant to California Code of Regulations, title 20, section 1936(d), the CEC requests any "analyses, comments, and recommendations" (Cal. Code Regs., tit. 20, § 1714) on the exemption application that your agency may wish to provide. Again, please note that should the exemption be granted, the applicant would then be responsible for obtaining all necessary local, state, and federal permits required to construct and operate the project, which may entail additional analysis by the relevant permitting authorities.

Pursuant to the Guidelines for the Implementation of CEQA, California Code of Regulations, title 14, section 15082(b), each responsible agency, trustee agency, and the OPR is required to provide the CEC with specific detail about the scope and content of the environmental information related to the responsible agency's

or trustee agency's area of statutory responsibility that must be included in the draft EIR. At a minimum, the response is required to identify:

- the significant environmental issues and reasonable alternatives and mitigation measures that the responsible agency, trustee agency, or the OPR will need to have explored in the draft EIR; and
- whether the agency will be a responsible agency or trustee agency for the project.

This response is due to the CEC within 30 days of receipt of the NOP. If a responsible agency, trustee agency, or the OPR fails by the end of the 30-day period to provide the CEC with either a response to the notice or a well-justified request for additional time, the CEC staff will presume that none of those entities have a response to make.

The preferable method to submit responses is via the CEC's electronic commenting (e-commenting) system. To access this system, commenting agencies should go to CEC's webpage for this proceeding: https:/www.energy.ca.gov/powerplant/tradezonepark click on the "Submit e-comment" link, and follow the instructions in the online form. Please be sure to include the project name in your comments. Once filed, the comments will become part of the proceeding's public record.

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, Project Manager, by email at lisa.worrall@energy.ca.gov.

Project Location and Description

The STACK Trade Zone Park would be located on two parcels of land encompassing approximately 9.8 acres at the corner of Trade Zone Boulevard and Ringwood Avenue (2400 Ringwood Avenue and 1849 Fortune Drive) in San Jose.

The proposed STACK Trade Zone Park would include one, four-story advanced manufacturing building (approximately 135,000 square feet), two, three-story data center buildings (approximately 527,000 square feet), a parking garage, related utility infrastructure, and a backup generating facility with a generation capacity of up to 90 MW. The backup generating facility would consist of thirty-six 3-MW and two 1-MW diesel-fired emergency backup generators (gensets) arranged in two generation yards, each designed to serve one of the two data center buildings (SVYDC 05 and SVYDC 06). All the gensets would be dedicated to replacing the electricity needs (with redundancy) of the data center buildings

in case of a loss of electrical power from the utility, Pacific Gas and Electric Company. For further project details on the utility infrastructure associated with the gensets (switchyard and linears), refer to Section 2 Project Description in the SPPE application.

Probable Environmental Effects

The EIR will analyze the reasonably foreseeable direct, indirect, and cumulative effects of the proposed STACK Trade Zone Park in the topic areas specified in Appendix G of the CEQA Guidelines, plus environmental justice (EJ).

Based on its analysis to date and prior experience evaluating other data centers in industrial settings, staff has identified that the STACK Trade Zone Park would likely have no or less-than-significant impacts in the environmental topic areas of aesthetics, agriculture and forestry resources, energy, mineral resources, population and housing, public services, recreation, utilities and service systems, and wildfire.

The CEC staff is still conducting information gathering activities, including any information provided by other agencies in response to this notice that can inform the CEC's environmental review. The following environmental topic areas could have potentially significant impacts that could be reduced to less than significant with mitigation.

Air Quality

The proposed STACK Trade Zone Park would be 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 ambient air quality standards. The gensets proposed for the project would result in emissions of diesel particulate matter and ozone precursors (oxides of nitrogen [NOx] and reactive organic gases). The NOx emissions of the project would need to be fully offset through the permitting process with the BAAQMD. The CEC staff has not completed its analysis of the significance of the project's potential impacts and has yet to reach a definitive conclusion. The EIR will discuss whether the project would result in a potential cumulatively considerable net increase of a criteria air pollutant(s) for which the SFBAAB is in 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 the implementation of the applicable air quality plan; expose sensitive receptors to substantial pollutant concentrations, including impacts from criteria air 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 those impacts to a less than significant level, as feasible.

Biological Resources

The applicant identified 156 existing trees that are proposed to be removed to facilitate the development of the project. There are an additional 54 trees along the transmission line route and 26 neighboring trees that may be negatively impacted by construction activities and subsequently may need to be removed. These trees are protected as a community forest under the city of San Jose Municipal Code, sections 13.28 and 13.32. Of the 156 trees to be removed, over half of them are ordinance trees, and a permit from the city of San Jose is required to remove them. A conflict with local policies or ordinances for tree preservation and tree replacement could arise if satisfactory provisions for the replacement of trees that are removed and protections for trees to remain on the site are not made. The EIR will discuss the project's potentially significant impacts due to the possible direct or indirect disturbance of existing trees during project construction. Construction activities, including the removal of trees and vegetation clearing that take place during the breeding season for protected birds (February to August) have the potential to cause the direct destruction of active nests of protected birds, including raptors. The EIR will discuss the project's potentially significant impacts due to the possible direct or indirect disturbance of nesting bird habitat, including raptors, during project construction.

These impacts could be reduced to less than significant levels with the implementation of design measures as modified by staff and agreed to by the applicant. The CEC staff is working with the California Department of Fish and Wildlife (CDFW) and Santa Clara Valley Habitat Agency (SCVHA) to ensure the applicant-proposed mitigation measures, MM BIO-1.1 through BIO-1.4, MM BIO-2.1 through MM BIO-2.6, and MM BIO-3.1, will meet CDFW and SCVHA requirements. The CEC staff is ensuring that the project design measures would mitigate impacts to less than significant.

Cultural and Tribal Cultural Resources

Based on preliminary information, three cultural resources might be in the project Study Area: an informal archaeological resource (C-1414) and two historic-age buildings. Consultation with California Native American tribes is in progress to identify any additional cultural resources and potential impacts. 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. The applicant has proposed two mitigation measures to reduce the severity of any such impacts.

At this time, there is not enough information to conclude whether the project would result in significant impacts to cultural or tribal cultural resources and whether they could be mitigated to less than significant. Project impacts will be analyzed consistent with CEQA criteria for cultural and tribal cultural resources identified in Appendix G of the CEQA Guidelines.

Energy and Energy Resources

The CEC staff will evaluate the project's impacts associated with the construction and operation of the project specific to energy and energy resources. If the project construction or operation results in potentially significant environmental impacts due to the wasteful, inefficient, or unnecessary consumption of energy, or if it conflicts with or obstructs a state or local plan for renewable energy or energy efficiency, the CEC staff will draft mitigation. Mitigation may include the employment of more efficient equipment and more use of renewable, cleaner sources of electricity.

Environmental Justice

The CEC staff has determined the presence of an EJ population within the vicinity of the project site using currently available 2020 Census and California Department of Education data. The CEC staff will analyze whether the project would result in any potentially significant disproportionate impacts to the EJ population. Topic areas in this analysis will include aesthetics, air quality (public health), cultural and tribal resources, hazards and hazardous materials, hydrology and water quality, land use and planning, noise, population and housing, transportation, and utilities and service systems.

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 that requires earth moving, such as grading, trenching for utilities, excavation for foundations,

and the 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. The CEC staff will craft mitigation measure(s) that would reduce 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/demolition, direct "stationary source" emissions from the operation of the diesel gensets, and indirect and "non-stationary source" emissions from the operation of the project, the majority of which are indirect emissions from the electricity consumed by the project. The CEC staff expects the temporary direct emissions from construction will be adequately addressed through best management practices. The direct emissions from the testing and maintenance of the diesel gensets could result in potentially significant quantities of GHG emissions that may be mitigated by switching to renewable diesel or by establishing a plan to phase out the use of conventional petroleum diesel. To address the indirect emissions from the project's data center's electricity use, the CEC staff will assess whether mitigation is necessary and what options are available.

Hazards and Hazardous Materials

The project site is in an area with properties of varying current industrial uses and former industrial and agricultural uses. Based on the Phase I Environmental Site Assessments conducted for the project site parcels (included in project SPPE Application), the 1849 Fortune Drive parcel has a history of environmental contamination and both project parcels have a history of agricultural use; the presence of unknown soils or groundwater contamination has not been ruled out for the project site. The construction of project components could encounter contaminated soil. The project would use hazardous materials during project construction and operation. During operation, a large quantity of diesel fuel would be stored in integrated fuel tanks within the gensets, a total of approximately 237,500 gallons for all the gensets. Spills or leaks of diesel fuel could occur during refueling or due to damage to the tanks.

The CEC staff will evaluate the project's impacts associated with the construction and operation of the project specific to hazards (aviation, emergency response and/or evacuation, and wildfire) and hazardous materials (transport, use,

disposal, upset or accidental release, and exposure of sensitive receptors). If the project construction or operation results in potentially significant environmental impacts due to hazards or hazardous materials, staff will craft mitigation measures that would mitigate impacts to less than significant. Some impacts may be reduced or mitigated due to compliance with and application of existing regulatory requirements and applicant-proposed mitigation measure HAZ-1.

Land Use

The project site is zoned Industrial Park (IP) and has a General Plan designation of Transit Employment Center (TEC) under the Envision San Jose 2040 General Plan. Surrounding land use uses are commercial and industrial uses to the south, east, and west, and residential uses to the north. The EIR will discuss the project's land use impacts to the surrounding community, including the project's compatibility with adjacent land uses. It will also discuss whether the project would cause a significant environmental impact due to conflicts with a land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect. If potential significant impacts are discovered, the CEC staff will propose feasible mitigation measures to reduce or eliminate impacts.

Noise

The CEC staff will evaluate the potential short-term noise associated with project construction, temporary intermittent noise impacts associated with the yearly testing of the gensets, as well as the likelihood for increased noise levels resulting from project operation. The noise levels associated with construction would be mitigated via the implementation of a construction noise plan. The CEC staff will determine if the project would increase ambient noise levels. The CEC staff will require, and use, the applicant's noise modeling and noise study to evaluate the proposed structures and component layout. If potential, significant adverse impacts on sensitive receptors are identified, the CEC staff will draft mitigation, including noise attenuation and other measures.

Transportation

The EIR will discuss the project's potentially significant impacts from vehicle miles traveled (VMT). The project-generated VMT per employee (15.07) is greater than the city of San Jose's threshold of 14.37 VMT per employee for industrial uses. The applicant is working with a transportation consultant to prepare a transportation analysis report in accordance with City Council Policy 5-1 and the San Jose VMT Evaluation Tool, which will identify appropriate mitigation to reduce transportation impacts to less than significant.

Alternatives

The EIR will consider a reasonable range of potentially feasible alternatives to the project. In addition to a no project alternative, the EIR will likely consider fuel cell technology, battery storage, alternative fuels (renewable diesel and biodiesel), and natural gas internal combustion engines.

Responsible Agencies

The CEC has identified the BAAQMD and city of San Jose as responsible agencies for this project. The project will require the following approvals and permits if exempted:

- BAAQMD – authority to construct and permit to operate
- City of San Jose – Planned Development Rezoning and a Planned Development Permit

Trustee Agencies

The CEC has identified the CDFW and the SCVHA as trustee agencies for this project.

Scoping Meeting(s)

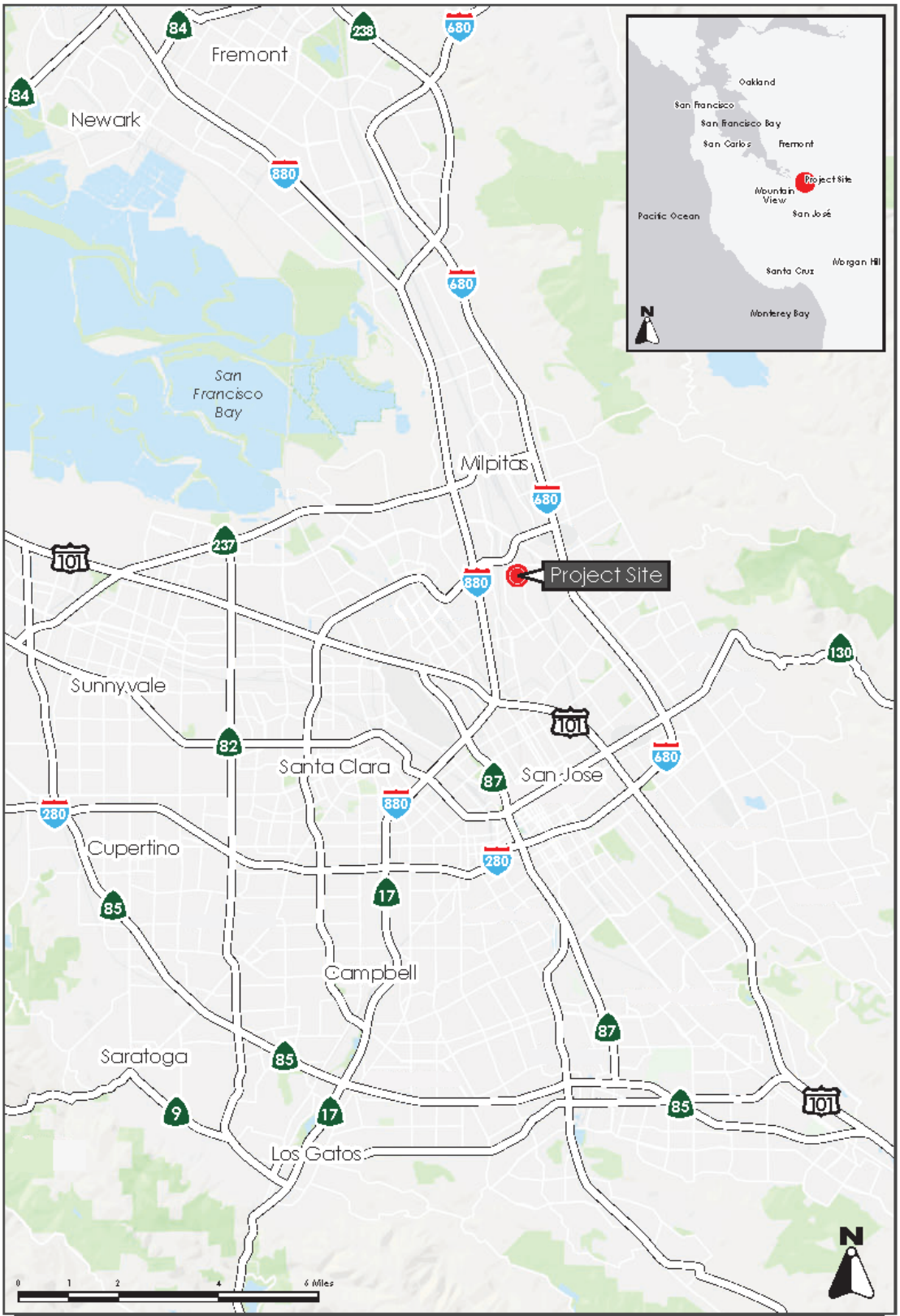
The CEC staff has determined that the project is not a project of statewide, regional, or areawide significance pursuant to the California Code of Regulations, title 14, section 15206, and, thus, does not intend to hold a scoping meeting. Please note, however, that pursuant to the provisions of the California Code of Regulations, title 14, section 15082(c), a responsible agency, a trustee agency, OPR, or a project applicant may request one or more meetings between representatives of the agencies involved to assist the lead agency in determining the scope and content of the environmental information that the responsible agency or trustee agency may require. Requests for such a meeting should be directed to the CEC staff Project Manager Lisa Worrall at the email listed above.

Sincerely,

Drew Bohan
Executive Director

Attachments (from the SPPE application):

Regional Map (Figure 2.2-1)
Vicinity Map (Figure 2.2-2)
Aerial Photograph and Surrounding Land Uses (Figure 2.2-3)
Site Plan (Figure 2.2-4)



REGIONAL MAP | FIGURE 2.2-1

S

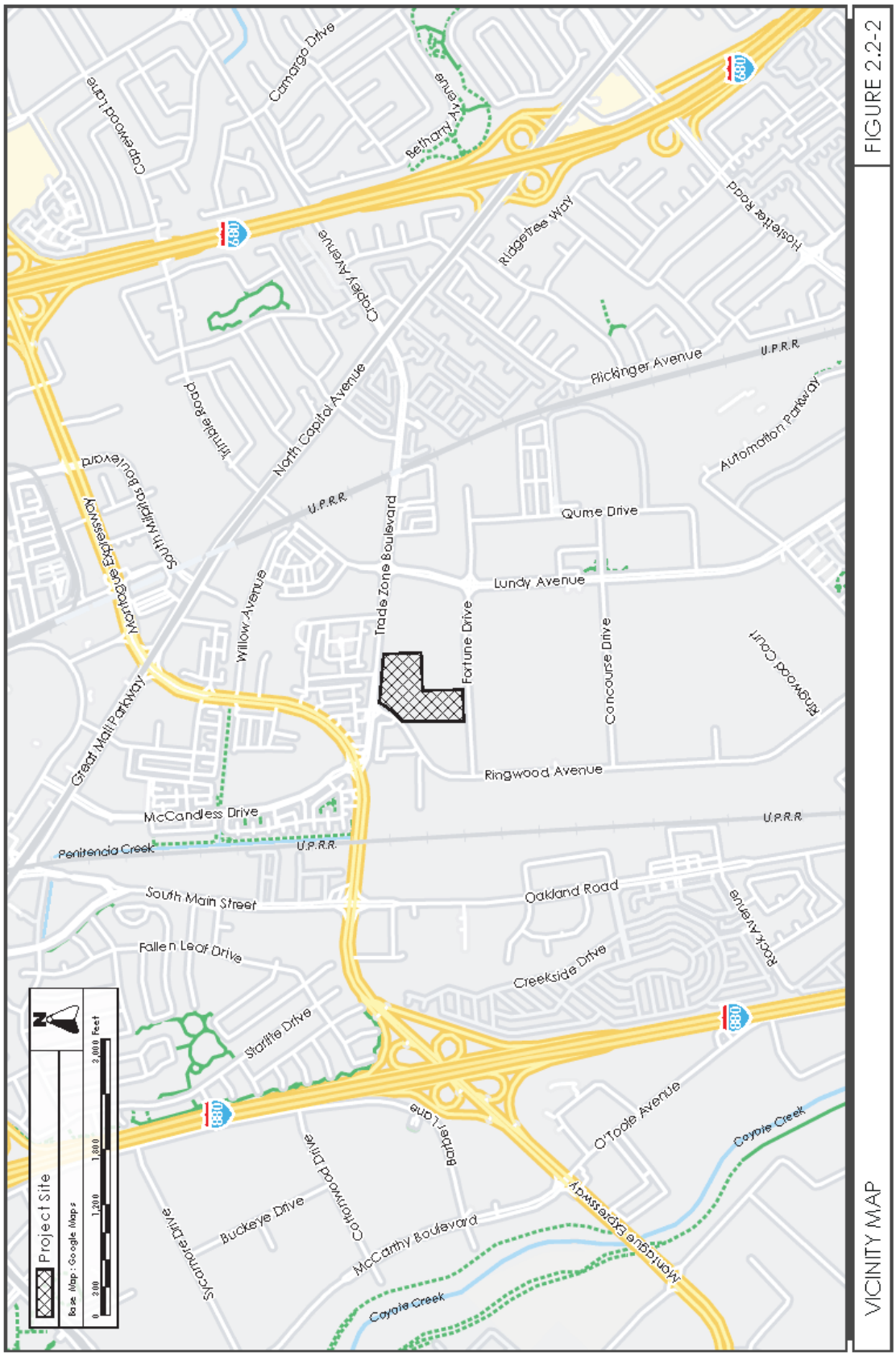


FIGURE 2.2-2

VICINITY MAP

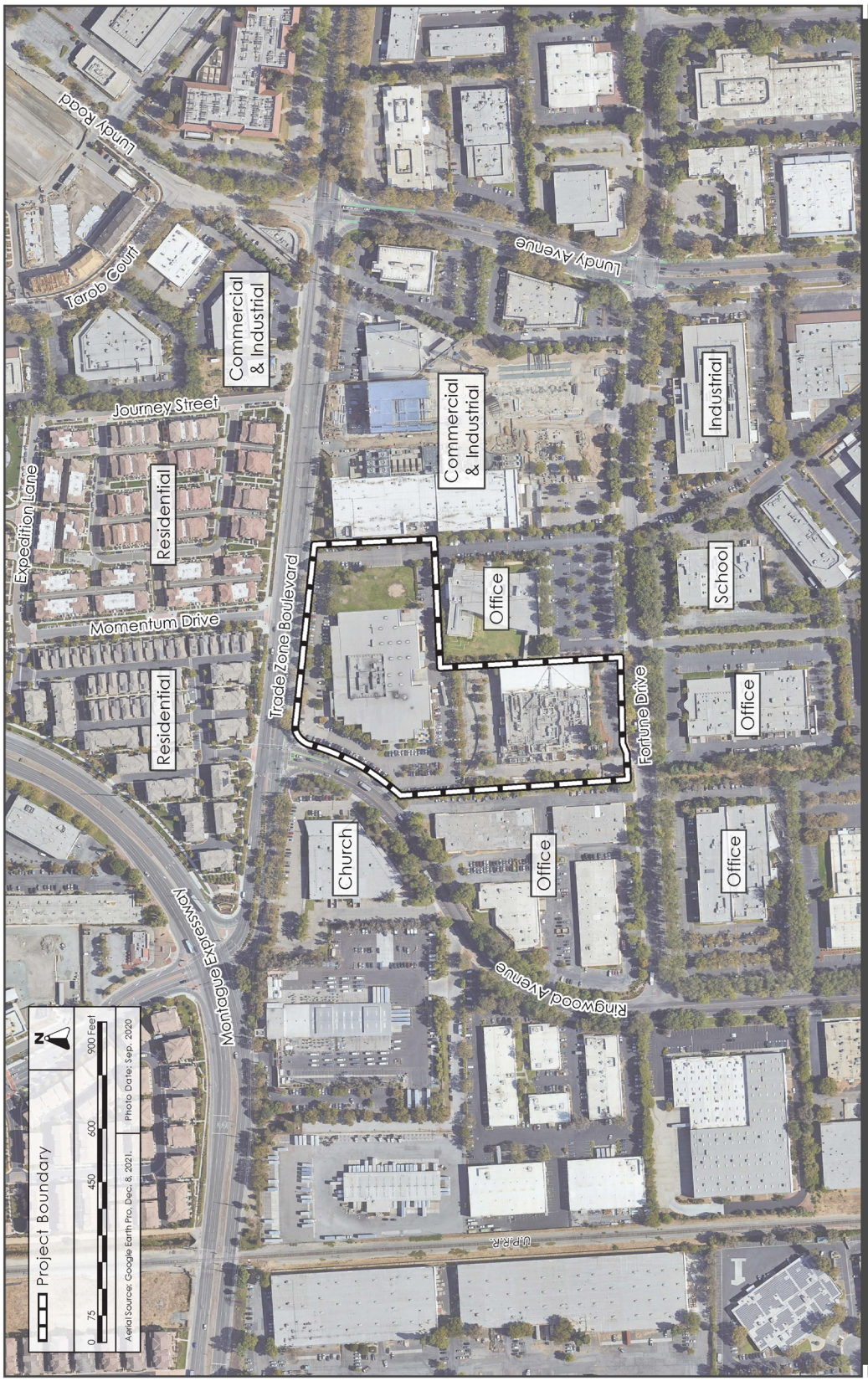


FIGURE 2.2-3

AERIAL PHOTOGRAPH AND SURROUNDING LAND USES

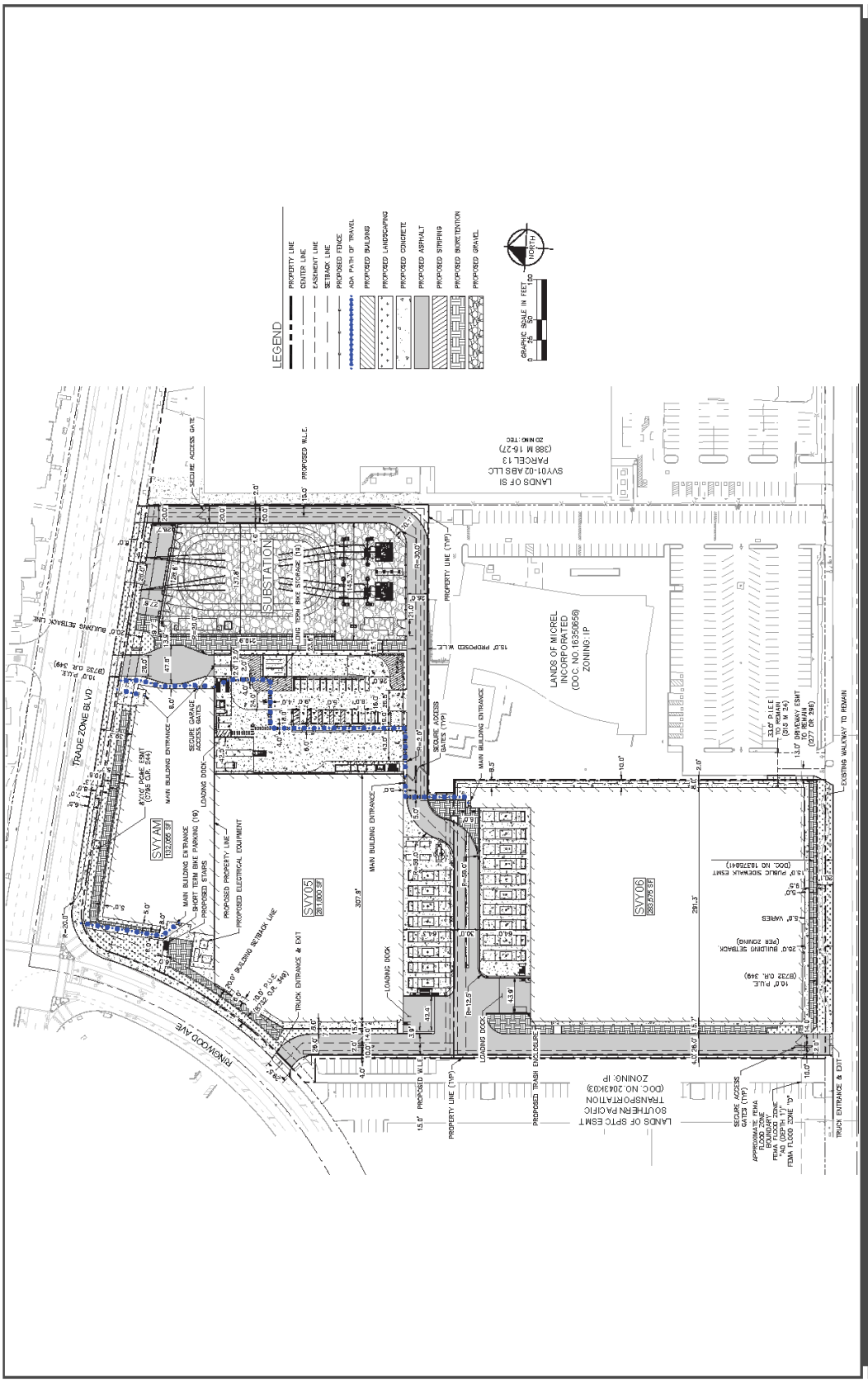


FIGURE 2.2-4

GENERAL ARRANGEMENT AND SITE PLAN OF THE PROJECT