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77-Megawatt Hayward Data Center Requires a Full Environmental Impact Report â€” not an MND

Additional submitted attachment is included below.

March 26, 2024

RE: STACK SVY03A Data Center

Dear California Energy Commission:

The California Environmental Quality Act (CEQA) mandates that state and local agencies thoroughly evaluate the potential environmental impacts of proposed projects. For the 77-MW STACK data center proposed by the California Energy Commission in Hayward, the decision between a Mitigated Negative Declaration (MND) and a full Environmental Impact Report (EIR) is crucial. CEQA's purpose is to inform decision-makers and the public about these impacts and to mitigate them where feasible. We are writing to your Commission because we believe that CEQA is required for the massive new Hayward data center.

An MND is used when an Initial Study concludes that the project's potential environmental impacts can be mitigated to a level of insignificance, while an EIR is required when there's substantial evidence of potentially significant adverse environmental impacts. The Hayward data center project falls far short of complying with this criteria of insignificance.

— Potential Environmental Impacts of Data Centers

Large data centers, such as the one proposed in Eden Landing, have significant environmental impacts. These include substantial energy consumption, contributing to greenhouse gas emissions; high water usage for cooling systems, especially critical in arid regions like California; potential air quality issues from backup generators; noise pollution from cooling systems and generators; and increased traffic from construction and ongoing operations.

The scale of the 77-MW data center signifies a very large energy demand comparable to all the households in Hayward combined, raising concerns about power generation and delivery to the site. Noted AI expert Dylan Patel, founder of SemiAnalysis, says that energy consumption is key: "The gating factor on how fast people can build the largest [data center] clusters today in the US is power. Now, it could be power generation, power transmission, substations, and all these sorts of transformers and all these things building the data center." (February 2025)

Hayward now faces a tsunami of data center power demand according to the San Francisco Business Times: "In Hayward alone, four customers, who were kept anonymous in PG&E's investor call, requested 975 GW of data center capacity, with 800MW of that for a single customer, due in 2028… San Jose customers requested the most at 1,635 MW."

However, San Jose's population of one million is seven times larger than Hayward's population of 160,000, and thus San Jose's per capita demand for additional data center power is 10 times greater than Hayward's. Hayward could well be oversubscribed.

— MND versus EIR Considerations and Public Scrutiny

While an MND can be appropriate in some cases, the scale of this data center combined with demand from other projected data centers, almost 1,000 MW in Hayward alone, indicates that a full EIR is required to fully address potential environmental impacts. This stems from factors like the projects' size and location, resource availability (water, energy), environmental sensitivity, and public concerns. Given the high energy and water demands, significant environmental impacts are likely and will be difficult to fully mitigate. Therefore, a project of this size would require a full EIR.

Public scrutiny and potential legal challenges are likely when an MND is used as an escape hatch to avoid scrutiny of a project with "potentially significant" impacts. The decision between an MND and an EIR is ultimately made by the lead agency, in this case, the California Energy Commission, and public input is a very important part of the CEQA process.

We strongly believe that a full EIR is required for the proposed 77-MW Hayward Data Center and we urge the California Energy Commission to undertake a more thorough review not rely on a cursory mitigated negative declaration.

Sincerely,

Kelly Abreu
Mission Peak Conservancy

The city of Hayward welcomes this massive new data center with open arms while the California Energy Commission is proposing a Mitigated Negative Declaration after finding "insignificant" environmental impacts.

San Francisco Business Times, October 7, 2024

> "Denver-based STACK Infrastructure submitted plans to the city to build a 310,000-square-foot, three-story [77-megawatt] data center in Hayward at Eden Landing … If built, it would be one of the largest data centers in the region... 'The Stack [project] is a huge asset when it comes to putting Hayward on the map regarding technology,' Hayward Mayor Mark Salinas said."
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> "The Goldman Sachs Group earlier this year estimated data-center power demand will grow by 160% by 2030 largely because of AI. Many developers and companies have turned away from building these centers in California in part because getting the necessary power is a challenge, and because there are already so many data centers in the state. The city of Santa Clara blocked a data center development earlier this year, citing the high number of data centers already present in the city... Stack did not respond to requests for comment on its ability to secure the power necessary to run the massive data center... "
> https://www.bizjournals.com/sanfrancisco/news/2024/10/07/hayward-data-center-stack-infrastructure-ai.html