

DOCKETED

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CALIFORNIA ENERGY COMMISSION

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**NOTICE OF INTENT TO ADOPT A
PROPOSED MITIGATED NEGATIVE DECLARATION**

Walsh Data Center
(19-SPPE-02)

651 Walsh Partners, LLC (Applicant) filed an application with the California Energy Commission (CEC) on June 28, 2019 (TN 228877-2 and associated documents) requesting a Small Power Plant Exemption (SPPE) for the Walsh Backup Generating Facility (WBGF), which would provide up to 80 megawatts (MW) of backup generation support to the Walsh Data Center (WDC), collectively the “project”, in Santa Clara, California. The project description was subsequently revised via a filing on January 31, 2020 (TN 231814) titled “Project Design Measures Numbered.” Additional information regarding the project was provided in response to staff data requests, all of which can be accessed via the project docket (19-SPPE-02).

The CEC is responsible for reviewing, and ultimately approving or denying, all thermal power plants, 50 MW and greater, proposed for construction in California. The SPPE process allows applicants with thermal power plants between 50 and 100 MW to obtain an exemption from the CEC’s jurisdiction and proceed with local permitting rather than requiring certification by the CEC. 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. Section 25519(c) of the Public Resources Code designates the CEC as the California Environmental Quality Act (CEQA) lead agency, as provided in section 21165 of the Public Resources Code, for all thermal power plants that seek an exemption from the CEC’s power plant certification process. CEQA requires the lead agency to consider the whole of the action; therefore, CEC staff has included the construction and operation of the data center in the environmental analysis of the backup generation facility.

This Notice of Intent is provided to inform parties, responsible agencies, and members of the public that CEC staff has proposed for adoption a Mitigated Negative Declaration for this project. Staff has prepared a Proposed Mitigated Negative Declaration (PMND) based upon the assessment of potential environmental impacts outlined in staff’s Initial Study (IS). As discussed below, both of these documents are now available for public review.

PROJECT DESCRIPTION

The applicant proposes to construct and operate the project at 651 Walsh Avenue in Santa Clara, California. The project proposes to demolish the existing improvements on the site and construct the WDC building, the associated WBGF generator equipment yard, and an electrical substation. The associated WBGF would consist of 33 diesel fired

generators that would be used exclusively to provide backup generation to support the Critical Information Technology (IT) load of the server bays, mechanical cooling loads, and house power backup of the WDC. The maximum electrical load of the WDC would be up to 80 MW.

The WDC building has two attached components—a four-story Data Center Building where client servers and associated electrical equipment would be housed, and a three-story Power Base Building located on the site's frontage with Walsh Avenue which would include support facilities such as the building lobby, restrooms, conference rooms, office space, and customer space. The total WDC building size is 435,050 square feet.

The 33 backup generators would be located in a generation yard adjacent to the north side of the WDC building. Thirty-two 3-MW generators would be deployed in a two-level stacked configuration. Half (16) of the generators would be placed on a concrete slab and the other half (16) would be on a second level directly above the ground with the generators mounted on a steel support structure. Each backup generator is a fully independent package system with dedicated fuel tanks located on a skid below the bottom level generator. The top-level generators would each have a day tank, which is fed from the lower level belly fuel tank.

The generation yard would be electrically interconnected to the WDC building through a combination of underground and above ground cable bus to a location within the building that houses electrical distribution equipment. The additional 2-MW generator would be interconnected solely to the Power Base Building located on the WDC building southern side. The project includes the switchgear and distribution cabling to interconnect the generators to their respective interconnection points.

A new electrical substation would be constructed to the east of the data center, 17 feet from the eastern property line, which abuts the Union Pacific Railroad (UPRR) tracks. This new 90 megavolt amps (MVA) electrical substation would be a three-bay substation (three 30 MVA 60 kV-12kV step-down transformers). The substation would be capable of delivering electricity to the WDC from Silicon Valley Power (SVP) but would not allow any electricity generated from the WBGf to be delivered to the electrical grid.

HAZARDOUS WASTE SITES

According to a review of the Envirostor and GeoTracker databases, the project site is listed on the hazardous materials sites compiled pursuant to Government Code section 65962.5. VOCs were detected in the soil and soil vapor but were determined to have come from offsite along the eastern, western, and northern boundaries of the site. The sources of the VOCs from offsite have been successfully closed and remedied according to a Geotracker database search.

AIRPORT IMPACTS

CEQA requires that prior to adoption of a mitigated negative declaration for a project located within the boundaries of a comprehensive airport land use plan, the lead agency must first consider whether the project will result in a safety hazard or

noise problem for persons using the airport or for persons residing or working in the project area.¹

The project site is located approximately 0.3 mile west of the Norman Y. Mineta San Jose International Airport. This location is within the Airport Influence Area and subject to the Comprehensive Land Use Plan (CLUP) for the airport. The IS/PMND concluded that, although the WDC and WBGF would be inside the Traffic Pattern Zone, Turning Safety Zone, and Inner Safety Zone identified in the CLUP, the diesel exhaust stacks and thermal plumes would not pose a hazard to aviation nor violate the airport's maximum height restriction. The IS/PMND also determined that noise from the WBGF would not combine with the airport's noise to expose people to excessive noise levels. Further, staff found the project consistent with the policies of safety, height, and noise contained within the CLUP. Staff therefore concludes that the WBGF will not result in a safety hazard or noise problem for persons using the airport or for persons residing or working in the project area.

STAFF CONCLUSIONS

CEC staff has completed an independent review of the project. Staff concludes that the project, as mitigated, would not have a significant effect on the environment or energy resources. Staff concludes that implementation of the project design measures and mitigation measures detailed in the IS/PMND would be sufficient to ensure there would be no significant impacts from the demolition and construction or operation of the project.

AVAILABILITY OF DOCUMENTS

The IS/PMND for the SDC, and all documents incorporated by reference, have been filed in the docket for this project, which can be found on the CEC's Walsh Data Center webpage at the following link: <https://ww2.energy.ca.gov/sitingcases/walsh/> (Click "Documents for this Proceeding" to find the IS/PMND and all other documents filed in the proceeding).

In addition, the CEC's Docket Unit has all documents filed in this proceeding. If you would like to obtain a physical copy of a document or documents, please contact the Docket Unit and specify you are looking for documents associated with proceeding 19-SPPE-03:

Docket Unit
California Energy Commission
1516 9th Street, MS-4
Sacramento, CA 95814
(916) 654-5076
docket@energy.ca.gov

¹ CEQA Guidelines, § 15074, subd. (e).

A copy of the IS/PMND is available for review at the following additional locations:

Northside Branch Library
695 Moreland Way
Santa Clara, CA 95054

City of Santa Clara Planning Division
Community Development Department
1501 Warburton Avenue
Santa Clara, CA 95050

This Notice of Intent has been mailed to owners and occupants of contiguous properties in accordance with CEQA Guidelines section 15072(b). Additionally, this Notice of Intent has been provided to responsible agencies, trustee agencies, the Santa Clara County Clerk, and organizations and individuals who have previously requested such notice. The IS/PMND was submitted to the State Clearinghouse for review by state agencies.

PUBLIC COMMENTS

The public review period for the IS/PMND begins on February 18, 2020. **Written comments will be accepted until 5:00 p.m. on March 23, 2020.** The preferred method for submitting comments is via the CEC's Walsh Data Center webpage: <https://ww2.energy.ca.gov/sitingcases/walsh/>.

Click on the "Comment on this Proceeding" link. Please provide your full name, any organization name, an email address, a reference to Docket No. 19-SPPE-02, and preferably put your comment in an attached document (.doc, .docx, or .pdf format). After checking the box to ensure that responses are generated by a human user and not a computer, click on the "Agree & Submit Your Comment" button to submit the comment to the CEC Docket Unit.

If you wish to mail written comments on the project, please submit them to the CEC Docket Unit. Please include the docket number (19-SPPE-02) for the Walsh Data Center project in the subject line or first paragraph of your comments and mail or hand-deliver them to the address listed above.

All written comments and materials filed with the Docket Unit will become a part of the public record of the proceeding. Additionally, comments may be posted on the Walsh Data Center webpage of the CEC's website.

In addition, the Committee assigned to conduct proceedings on the SPPE application has docketed a notice of its intention to conduct a status conference on Wednesday, February 26, 2020 at the Santa Clara Central Park Library, Margie Edinger Community Room, 2635 Homestead Road, Santa Clara, California, 95051, beginning at 12:30 p.m. Public comments will be taken at that time for those who wish to participate in person or via WebEx, the CEC's online meeting service. The Committee will issue a formal notice of the status conference, including remote access instructions.

Please note that the IS and PMND are staff documents and are subject to evidentiary hearing and adoption by the CEC as part of its consideration as to whether to grant an exemption from the CEC's jurisdiction. Staff's recommendation, along with any other recommendations and materials presented by the

applicant, interveners, government agencies, and the public, will be considered by the assigned Committee at an evidentiary hearing to be scheduled and conducted by the assigned Hearing Officer.² Following this hearing, the Committee will issue its proposed decision. In the last step, the full CEC will hold a public hearing to consider the Committee's proposed decision and issue a final decision on the SPPE application. Should an exemption for the Walsh Backup Generating Facility be granted, any further CEQA analysis and permitting decisions for the project would become the responsibility of local permitting authorities, in this case primarily the City of Santa Clara and Bay Area Air Quality Management District.

Please direct technical or project schedule questions to Leonidas Payne, CEQA Lead Project Manager, at (916) 651-0966, or by email at leonidas.payne@energy.ca.gov. If you desire information on participating in the CEC's review of the project, please contact the CEC's Public Advisor's Office, at (916) 654-4489 or toll free in California, at (800) 822-6228. The Public Advisor's Office can also be contacted via email at publicadvisor@energy.ca.gov.

² Time and location details will be available in the SDC docket as this date nears. This date is subject to change upon the Committee's order.