

<b>DOCKETED</b>	
<b>Docket Number:</b>	19-SPPE-03
<b>Project Title:</b>	Sequoia Data Center
<b>TN #:</b>	236128
<b>Document Title:</b>	Order After Committee Conference
<b>Description:</b>	N/A
<b>Filer:</b>	Ngoc Tran
<b>Organization:</b>	Energy Commission Hearing Office
<b>Submitter Role:</b>	Committee
<b>Submission Date:</b>	12/23/2020 3:18:23 PM
<b>Docketed Date:</b>	12/23/2020



**State of California  
State Energy Resources Conservation and  
Development Commission**  
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**APPLICATION FOR SMALL POWER PLANT  
EXEMPTION FOR THE:**

***SEQUOIA BACKUP GENERATING  
FACILITY***

**Docket No. 19-SPPE-03**

## **ORDER AFTER COMMITTEE CONFERENCE**

On December 16, 2020, the Committee<sup>1</sup> appointed by the California Energy Commission (CEC)<sup>2</sup> to conduct proceedings on the application for a small power plant exemption (SPPE) for the Sequoia Backup Generating Facility (Application)<sup>3</sup> held a Committee Conference.<sup>4</sup> C1-Santa Clara, LLC (Applicant)<sup>5</sup> proposes to construct and operate the Sequoia Backup Generating Facility, consisting of 54 Tier 2 diesel-fired backup generators to provide an uninterruptible power supply to the Sequoia Data Center during interruptions of the electrical supply (Project).<sup>6</sup>

The Committee Conference was scheduled following an order from the CEC remanding the proceedings back to the Committee to resolve certain air quality issues that had been raised by the California Air Resources Board (CARB) and the Bay Area Air Quality Management District (BAAQMD).<sup>7</sup> Specifically, CARB and BAAQMD challenged the

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<sup>1</sup> On September 11, 2019, the CEC appointed a Committee consisting of Karen Douglas, Commissioner and Presiding Member, and Patty Monahan, Commissioner and Associate Member, to preside over this SPPE Application. (TN 229721.)

<sup>2</sup> The CEC is formally known as the "State Energy Resources Conservation and Development Commission." (Pub. Resources Code, § 25200.)

<sup>3</sup> Information about this Application, including a link to the electronic docket, may be found on the CEC's [web page](https://ww2.energy.ca.gov/sitingcases/sequoia/) at <https://ww2.energy.ca.gov/sitingcases/sequoia/>. Documents related to this Application may be found in the [online docket](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=19-SPPE-03) at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=19-SPPE-03>.

<sup>4</sup> TN TBD.

<sup>5</sup> On August 14, 2019, the Applicant submitted this Application to the CEC for an SPPE for the Sequoia Backup Generating Facility in Santa Clara, California. (TN 229419-1 through TN 229419-4.)

<sup>6</sup> TN 229419-1, at p. 2 - 1.

<sup>7</sup> TN 235857.

adequacy of the environmental analysis in the Committee Proposed Decision (Proposed Decision)<sup>8</sup> regarding 1) input assumptions regarding NO<sub>2</sub> impacts from routine testing and maintenance; and 2) the lack of modeling of the direct and cumulative impacts of emergency operations of the Project's backup generators.<sup>9</sup> At the Committee Conference, the parties discussed the status of the progress they had made to address the comments raised by CARB and the BAAQMD and to determine scheduling milestones that could be the basis for completing the proceeding.<sup>10</sup> Before adjourning the Committee Conference, the Committee reported that it would issue an Order following the Conference with specific questions and requests for information.

### **ORDERS REGARDING RESPONSES TO COMMITTEE QUESTIONS AND REQUEST FOR INFORMATION**

1. The parties are hereby **ORDERED** to submit status reports on the 3<sup>rd</sup> Monday of each month, **commencing January 18, 2021**. The status reports shall inform the Committee whether or not the case is progressing satisfactorily and bring potential delays and other relevant matters to the Committee's attention. In addition, the first status reports shall respond to the questions posed below.
2. At the Committee Conference, the Committee discussed a proposal to require the Project to use Tier 4 engines instead of the Tier 2 engines proposed by Applicant and analyzed in the Proposed Decision. The Committee stated at the end of Committee Conference that it intended to complete the analysis of the Project as presented with Tier 2 engines. In a letter dated December 21, 2020, BAAQMD stated that it:

has established a best available control technology (BACT) guideline for large (greater or equal to 1,000 brake horsepower [bhp]) diesel engines used for emergency standby power that requires them to meet the U. S. EPA's Tier 4 emissions standards. This determination will apply to any new and open permit application with a diesel backup engine  $\geq 1000$  bhp that is deemed complete after 1/1/2020.<sup>11</sup>

The Committee now seeks information from the parties on the following questions:

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<sup>8</sup> TN 234416. The Proposed Decision relied on an initial study/proposed mitigated negative declaration (IS/PMND) to find that the Project would not have significant environmental impacts, including air quality impacts.

<sup>9</sup> TNs 234840 (Excerpt from Transcript of September 9, 2020, business meeting); 235271 (CARB Comments on Air Quality Analysis); TN 235820 (Transcript of November 16, 2020, business meeting).

<sup>10</sup> TN 235857.

<sup>11</sup> TN 236088.

- a. Does BAAQMD's December 21, 2020, letter change the description of the Project?
- b. Will the requirement to use diesel backup generators that meet the Tier 4 emissions standards necessitate further environmental analysis? If yes, what additional information will be needed to conduct the analysis? By when can the analysis be completed?

The parties shall include this information in the first status reports to be filed **no later than January 18, 2021**.

3. The Committee would like to receive detailed information about why both Staff and Applicant stated in their responses to Committee questions<sup>12</sup> that the modeling discussed in the IS/PMND for routine testing and maintenance, in which the temporal pairing of the Project's NO<sub>2</sub> impacts (as modeled by Applicant) with the NO<sub>2</sub> background concentrations used by the Applicant (as modified by Staff), addresses CARB's concerns that the averaging used in that analysis does not provide complete information about worst case impacts. The parties shall include this information in the first status report to be filed **no later than January 18, 2021**.
4. The Committee is not planning to identify a threshold of significance or provide guidance to the parties on modeling emergency operations. If the parties believe such modeling would provide useful information, the parties and CARB are invited to perform such modeling and identify a threshold of significance. The Committee may provide an opportunity to present such analysis at an evidentiary hearing. Information regarding whether such modeling will be performed, the time to complete such modeling, the process for determining the inputs and parameters of such modeling, identifying an applicable threshold of significance, and any other necessary steps involved, shall be included in the first status report to be filed **no later than January 18, 2021**.
5. The Committee is interested in receiving additional information regarding how frequently backup diesel generators have operated at Applicant's similar data center facilities. The data reported shall include a description of the specific reason the backup generators operate, including, but not limited to, operation for testing and maintenance, during a utility power outage, and for addressing power quality concerns. The Committee is specifically interested in better understanding how the design and deployment of the uninterruptible power supply system components affect the need to operate the backup diesel generators, including the effect on the number of generators needed and the duration of their operation. This information

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<sup>12</sup> TNs 235936, 235937.

shall be filed no later than the first status report to be filed **no later than January 18, 2021**.

6. Each party shall provide a detailed schedule for the resolution of this proceeding, including dates by which any additional analyses will be performed, the filing deadline for additional testimony and exhibits, and dates for any evidentiary hearing that may be required. This information shall be included no later than the first status report to be filed **no later than January 18, 2021**.

## **PUBLIC ADVISOR AND OTHER CEC CONTACTS**

The CEC's Public Advisor's Office provides the public with assistance in participating in CEC proceedings. For information on participation or to request interpreting services or reasonable accommodations, please contact

Public Advisor, [Noemí O. Gallardo](mailto:publicadvisor@energy.ca.gov) at [publicadvisor@energy.ca.gov](mailto:publicadvisor@energy.ca.gov), by phone at (916) 654-4489, or toll free at (800) 822-6228. Requests for interpreting services and reasonable accommodations should be made at least five days in advance. The CEC will work diligently to accommodate all requests.

**Direct questions of a procedural nature** related to the Application to [Susan Cochran, Hearing Officer](mailto:susan.cochran@energy.ca.gov), at [susan.cochran@energy.ca.gov](mailto:susan.cochran@energy.ca.gov) or (916) 654-3965.

**Direct technical subject inquiries** concerning the Application to [Leonidas \(Lon\) Payne, Project Manager](mailto:leonidas.payne@energy.ca.gov), at [leonidas.payne@energy.ca.gov](mailto:leonidas.payne@energy.ca.gov) or at (916) 651-0966.

**Direct media inquiries** to [mediaoffice@energy.ca.gov](mailto:mediaoffice@energy.ca.gov) or (916) 654-4989.

**AVAILABILITY OF DOCUMENTS**

Information about the Application, as well as notices and other relevant documents pertaining to this proceeding, are available on the [CEC's web page](https://ww2.energy.ca.gov/sitingcases/sequoia/) at <https://ww2.energy.ca.gov/sitingcases/sequoia/>.

**IT IS SO ORDERED.**

Dated: December 23, 2020

Dated: December 23, 2020

*APPROVED BY:*

*APPROVED BY:*

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Karen Douglas  
Commissioner and Presiding Member  
Sequoia Backup Generating Facility  
SPPE Committee

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Patty Monahan  
Commissioner and Associate Member  
Sequoia Backup Generating Facility  
SPPE Committee