

**DOCKETED**

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<b>Project Title:</b>	Sequoia Data Center
<b>TN #:</b>	236651
<b>Document Title:</b>	Second Revised Scheduling Order and Related Orders
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**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**

## **SECOND REVISED SCHEDULING ORDER AND RELATED ORDERS**

On August 14, 2019, C1-Santa Clara, LLC (Applicant) submitted an application (Application) to the California Energy Commission (CEC)<sup>1</sup> for a small powerplant exemption (SPPE) for the proposed Sequoia Backup Generating Facility in Santa Clara, California (Project).<sup>2</sup> Among other things, the Project consisted of the installation and operation of 54 Tier-2 compliant diesel-powered backup generators to provide an uninterruptible power supply for the Sequoia Data Center.

On August 21, 2020, the Committee<sup>3</sup> issued a Committee Proposed Decision that recommended that the CEC approve a mitigated negative declaration and grant an SPPE for the Project. On September 9, 2020, the CEC voted to remand the proceeding to the Committee in order to address concerns raised by the California Air Resources Board (CARB) and the Bay Area Air Quality Management District (BAAQMD) regarding aspects of the proposed decision's air quality analysis.<sup>4</sup>

On November 16, 2020 the CEC voted to affirm its remand and provided further direction to the Committee.<sup>5</sup> The subsequent order memorializing the action at the

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<sup>1</sup> The CEC is formally known as the "State Energy Resources Conservation and Development Commission." (Pub. Resources Code, § 25200.)

<sup>2</sup> TNs 229419-1 to 229419-4.

<sup>3</sup> The CEC appointed a Committee consisting of Karen Douglas, Commissioner and Presiding Member, and Patty Monahan, Commissioner and Associate Member, to preside over the Application on September 11, 2019 (TN 229721).

<sup>4</sup> TN 234830, pp. 19-23, 25-26.

<sup>5</sup> TN 235820, pp. 134-136.

business meeting (Order Affirming Remand) directed the Committee to conduct limited additional proceedings to consider those comments raised by CARB and BAAQMD in this proceeding that address 1) input assumptions regarding NO<sub>2</sub> impacts from routine testing and maintenance; and 2) direct and cumulative impacts of emergency operations of the Project's backup generators.<sup>6</sup>

The Committee held a Committee Conference on December 16, 2020. The notice for the Committee Conference directed the parties to respond in writing to specific questions regarding the air quality analysis and requested that CARB and BAAQMD provide additional information deemed relevant to resolving the outstanding issues identified in the Order Affirming Remand.<sup>7</sup> CEC staff (Staff),<sup>8</sup> Applicant,<sup>9</sup> and Intervenor Robert Sarvey<sup>10</sup> filed written responses to the Committee questions, and CARB and BAAQMD filed a joint recommendation that the Applicant use Tier 4 engines rather than the original Tier 2 engines proposed for the Project.<sup>11</sup>

On December 22, 2020, the Committee issued an Order After Committee Conference (December 22 Order).<sup>12</sup> In the December 22 Order, the Committee described a letter filed by BAAQMD, dated December 21, 2020, that states that it has established a new best available control technology (BACT) guideline for certain projects. In specific, effective January 1, 2020, any new or open permit application with a large diesel-powered backup generator must meet the U.S. EPA's Tier 4 emissions standards.<sup>13</sup> The December 22 Order included a requirement for the parties to file monthly status reports, beginning January 18, 2021. The parties were also directed to respond to questions regarding the air quality analysis and the applicability and impact of the new BACT guideline.<sup>14</sup>

Staff,<sup>15</sup> Applicant,<sup>16</sup> and Intervenor Robert Sarvey<sup>17</sup> all timely filed status reports. In its status report, Applicant stated that the new BACT guideline applied to the Project.<sup>18</sup> Staff and Applicant further indicated that Applicant would be revising the project

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<sup>6</sup> TN 235758.

<sup>7</sup> TN 235857.

<sup>8</sup> TN 235936.

<sup>9</sup> TN 235937.

<sup>10</sup> TN 235934.

<sup>11</sup> TN 235939.

<sup>12</sup> TN 236128.

<sup>13</sup> TN 236088, p. 1. "Large" is defined in the letter as being equal to or greater than 1,000 brake horsepower. *Id.*

<sup>14</sup> TN 236128, pp. 2-3.

<sup>15</sup> TN 236330.

<sup>16</sup> TN 236340.

<sup>17</sup> TN 236429.

<sup>18</sup> TN 236340, pp. 1-2.

description for the Application. Staff proposed that, depending on the specific changes contained in the revised project description, the Project may require additional analysis in the areas of hazards and hazardous materials, land use, noise, and transportation.<sup>19</sup>

The Committee reported on progress made in resolving the remaining issues in this proceeding at the January 25, 2021, business meeting.<sup>20</sup> Shortly before the January 25 business meeting started, Applicant submitted a revised project description to substitute Tier 4-compliant backup generators for the originally-proposed Tier 2 backup generators for the Project. The Applicant made these changes so that the Project would comply with the new BACT guideline.<sup>21</sup> In response, Staff stated that it would take a “few days” to review the recently-filed revised project description to determine what additional environmental analysis may be required. Staff indicated that it would be able to respond to these and other outstanding issues in “the next week or two.”<sup>22</sup>

At the conclusion of the January 25, 2021, business meeting, the Committee indicated that it would continue to manage the proceeding and report back to the CEC at the April 2021 business meeting unless a revised Committee Proposed Decision was filed.<sup>23</sup>

After the January 25 business meeting, Applicant filed additional information regarding the Tier 4-compliant backup generators specified in its revised project description.<sup>24</sup>

## **SCHEDULING ORDER AND OTHER ORDERS**

The Committee hereby adopts the schedule for the proceeding that is attached below. The Committee urges the parties to complete the milestones ahead of these dates.

The requirement to file status reports from the December 22 Order is continued. The parties shall file status reports on or before the 18<sup>th</sup> of each month.

Staff is directed to file its revised analysis of the Project based on the Applicant’s filings. This analysis shall include facts to support conclusions regarding any changes to the Project’s potential environmental impacts, including any impacts associated with the use of Tier 4-compliant backup generators, such as changes in emissions, noise levels, and visual impacts (if stack height modified), and impacts associated with hazards and hazardous materials, land use, and transportation. In meeting this directive, Staff shall

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<sup>19</sup> TN 236330, p. 3.

<sup>20</sup> TN 236634, pp. 113-130.

<sup>21</sup> TN 236429.

<sup>22</sup> TN 236634, pp. 123-125, 126.

<sup>23</sup> TN 236634, pp. 129-130.

<sup>24</sup> TNs 236443, 236451.

identify all replacements, additions, substitutions, and corrections from the previously-filed Initial Study/Proposed Mitigated Negative Declaration.<sup>25</sup>

At this time, the Committee has not determined whether (1) an evidentiary hearing will be required or (2) any new evidence, including any cross-examination, will be admitted without a hearing. If a formal evidentiary hearing is not held, the Committee will provide an opportunity for the parties to submit the following in writing: opening testimony, reply testimony, cross-examination questions, and responses to that cross-examination. The parties shall address the need for and scope of any evidentiary hearing in their February status report.

### **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 how to participate in this proceeding, or to request language services or other reasonable accommodations, please contact the [Public Advisor, Noemí O. Gallardo](#), at [PublicAdvisor@energy.ca.gov](mailto:PublicAdvisor@energy.ca.gov), or by phone at (916) 654-4489, or toll free at (800) 822-6228.

Questions of a procedural nature should be directed to the Hearing Officer, [Susan Cochran](#) at [Susan.Cochran@energy.ca.gov](mailto:Susan.Cochran@energy.ca.gov) or (916) 654-3965.

Technical questions concerning the Application should be addressed to [Leonidas Payne, Project Manager](#), at [Leonidas.Payne@energy.ca.gov](mailto:Leonidas.Payne@energy.ca.gov) or (916) 651-0966.

Media inquiries should be sent to the [Media and Public Communications Office](#) at [MediaOffice@energy.ca.gov](mailto:MediaOffice@energy.ca.gov) or (916) 654-4989.

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<sup>25</sup> TN 231651.

**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: February 4, 2021

Dated: February 5, 2021

**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

*Mailed to List Number: 7531*

**SEQUOIA BACKUP GENERATING FACILITY SPPE (19-SPPE-03)  
SCHEDULING ORDER  
FEBRUARY 2021**

<b>EVENT</b>	<b>DATE</b>
Staff Files Revised Environmental Analysis based on the revised project description	Week of February 22, 2021
February Status Reports due	On or before February 18, 2021
All Parties to File Opening Testimony	Week of March 1, 2021
All Parties to File Reply Testimony	Week of March 8, 2021
All Parties File Exhibit Lists, including supporting declarations	5 days after reply testimony
Prehearing Conference*	To be determined
Evidentiary Hearing (EH) *	To be determined
Committee files Revised Proposed Decision	To be determined
Final Adoption Hearing by the Commission	To be determined

\* At this time, the Committee has not determined whether an evidentiary hearing will be required. If there is no evidentiary hearing, no prehearing conference will be held.