## PUBLIC INFORMATIONAL HEARING

BEFORE THE

# CALIFORNIA ENERGY RESOURCES CONSERVATION

## AND DEVELOPMENT COMMISSION

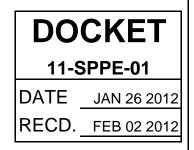
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In the Matter of the:

Application for Small Power Plant Exemption for the Santa Clara SC-1 Data Center Project Docket No. 11-SPPE-01



SANTA CLARA FIRE TRAINING CENTER

1900 WALSH AVENUE

SANTA CLARA, CALIFORNIA

THURSDAY, JANUARY 26, 2012

12:30 p.m.

Reported by: Richard Friant Contract No. 170-09-002

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## COMMITTEE MEMBERS PRESENT

Karen Douglas, Presiding Member

#### HEARING OFFICER, ADVISORS PRESENT

Kenneth Celli, Hearing Officer

Eileen Allen, Technical Advisor on Siting

Jim Bartridge, Advisor to Commissioner Peterman (via WebEx)

Galen Lemei, Advisor to Commissioner Douglas

Jennifer Nelson, Advisor to Commissioner Douglas

## CEC STAFF AND CONSULTANTS PRESENT

Arlene Ichien, Staff Counsel

Robert Worl, Project Manager

Chris Davis

Geoffrey Lesh

OFFICE OF THE PUBLIC ADVISER

Jennifer Jennings, Public Adviser

#### APPLICANT

Monica Schwebs, of Counsel Sarah Barker-Ball Bingham McCutcheon

Richard Waddle DuPont Fabros

Ted Hellewell Mark Fisher Santa Clara SC-1 Data Center

Nora H. Monette David J. Powers & Associates, Inc.

# INTERVENORS

None

# ALSO PRESENT

Payal Bhagat City of Santa Clara

Mike Ryan City of Santa Clara

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1 1 PROCEEDINGS 2 12:35 p.m. 3 PRESIDING MEMBER DOUGLAS: Good afternoon. We are 4 here for this informational hearing and site visit for the 5 Santa Clara Data Center Phase 2 Project. I'm just looking to make sure everybody's ready. We are missing staff. 6 7 HEARING OFFICER CELLI: We are waiting for Bob 8 Worl. Bob, we're ready to begin. 9 MR. WORL: Right here. 10 HEARING OFFICER CELLI: Who is the attorney? 11 PRESIDING MEMBER DOUGLAS: Who is the attorney for staff, Arlene? 12 13 MR. WORL: Arlene is here somewhere. PRESIDING MEMBER DOUGLAS: That's fine. 14 MR. WORL: Arlene Ichien. And also Dick Ratliff 15 16 is the other attorney assigned to the case. PRESIDING MEMBER DOUGLAS: All right. To get that 17 18 on the record the attorneys for staff are Arlene Ichien and Dick Ratliff. 19 20 The Energy Commission has assigned a committee of 21 two commissioners to conduct these proceedings and before we 22 begin I'd like to introduce the committee. My name is Karen 23 Douglas, I am the Presiding Commissioner on this case. The 24 Associate Member was not able to be here today but her 25 advisor, Jim Bartridge, is on WebEx. To my left --

ADVISOR BARTRIDGE: Good afternoon. 1 2 PRESIDING MEMBER DOUGLAS: Thank you, Jim. To my 3 left is Ken Celli, our Hearing Officer. To his left Eileen 4 Allen, a technical advisor on siting for the Commissioners. 5 On my right Galen Lemei. And sitting as if she were a member of staff and yet not quite is my other adviser, 6 Jennifer Nelson. 7 8 I would like at this point -- I guess first of all to thank Mike Ryan, the fire chief for the City of Santa 9 10 Clara, is that correct? 11 MR. RYAN: I'm a battalion chief, not the fire 12 chief. 13 PRESIDING MEMBER DOUGLAS: Ah, battalion chief for 14 the City of Santa Clara; I gave him a promotion. 15 MR. RYAN: Thank you. 16 PRESIDING MEMBER DOUGLAS: He appreciates it. For 17 the use of this facility. 18 At this point let me ask applicant if you could 19 introduce yourselves for the record. 20 MR. HELLEWELL: Yes. This is Ted Hellewell, 21 Director of Operations. 22 MR. WADDLE: Rick Waddle, Director of Construction 23 for DuPont Fabros. 24 MS. MONETTE: My name is Nora Monette, I'm with 25 David Powers and Associates, applicant's consultant,

1 environmental consultant.

2 MS. SCHWEBS: I'll have to speak loudly. I'm 3 Monica Schwebs from Bingham McCutcheon, counsel for DuPont 4 Fabros. 5 PRESIDING MEMBER DOUGLAS: So we heard Monica 6 Schwebs, counsel for DuPont Fabros. 7 MR. FISHER: Mark Fisher, Mechanical Manager at 8 Dupont Fabros. PRESIDING MEMBER DOUGLAS: And Mark Fisher, 9 10 Mechanical Manager? 11 MR. FISHER: Yes. 12 PRESIDING MEMBER DOUGLAS: At DuPont Fabros. 13 And for staff, please? 14 MR. WORL: My name is Robert Worl, Bob Worl. I'm 15 the project manager for this project at the Energy 16 Commission. And to my right is Arlene Ichien, she is the attorney for the case. Also Dick Ratliff is assigned to the 17 18 case as well as a counsel. Also we brought with us the 19 Office Manager, Chris Davis, and Geoff Lesh, one of the 20 engineering staff. Geoff is working on this case and Chris 21 is working on me. 22 (Laughter.) 23 PRESIDING MEMBER DOUGLAS: Thank you. I 24 understand we have -- I met the representative of the City 25 of Santa Clara, Payal Bhagat, so thank you for being here.

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Are there any other representatives of federal, state or
 local government agencies here today?

It doesn't look like it, okay. I'd like to introduce the Public Adviser, Jennifer Jennings, in the gray jacket and red shirt. So she'll be able to assist members of the public who are interested in participating in this process.

8 And with that I'd like to turn this over to Ken9 Celli to give us some procedural background.

HEARING OFFICER CELLI: Thank you. Can you all hear me okay? Because I can yell. I'm going to give you a little procedural background.

Xeres, that's X-E-R-E-S, Xeres Ventures, LLC, a wholly-owned subsidiary of DuPont Fabros Technologies, who is the applicant in this case, submitted an application with the Energy Commission to obtain an exemption from the Energy Commission's usual power plant siting certification process to construct and operate the Santa Clara SC-1 Data Center Phase 2 at 555 Reed Street, Santa Clara, California.

20 Xeres Ventures proposes to install 16 diesel-21 fueled backup generators at the data center in addition to 22 the existing 16 permitted diesel-fueled backup generators 23 recently installed at the data center located in an 24 industrial area in the city and county of Santa Clara, 25 California. Each backup generator will have a capacity to

1 generate 2.25 megawatts.

The purposes of today's hearing are to provide information about the proposed plant, to describe the Commission's process in reviewing the application and to provide information on opportunities to participate in the process.

7 Later in the hearing the Public Adviser's Office,
8 Jennifer Jennings who you have met, will explain how the
9 public can obtain information about the project and how to
10 participate and offer comments during this review process.

11 Ms. Jennings will also explain how to intervene as 12 a formal party should anybody wish to present evidence and 13 cross-examine witnesses.

The applicant conducted a site visit so that the public could see the location where the project is proposed to be built. That took place immediately before our commencing this informational hearing this morning around noon-time today, and concluded prior to this informational hearing.

The California Energy Commission is a state agency that has exclusive jurisdiction to license, or as we say, certify, new power plants that generate 50 megawatts of electricity or more. Under state law, power plants with a generating capacity of up to 100 megawatts may be exempted from the Energy Commission's certification process if the

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Energy Commission determines a project proposal qualifies
 for such an exemption.

The Small Power Plant Exemption, or today you're going to hear us talking about an SPPE all day long, that's Small Power Plant Exemption. The SPPE review process provides a public forum to participate in the Energy Commission's evaluation of the project's eligibility for an exemption under Public Resources Code Section 25541.

9 To qualify for a Small Power Plant Exemption the 10 Commission must find that no substantial adverse impact upon 11 the environment or energy resources will result from 12 construction or operation of the proposed power plant. In 13 other words, in this SPPE process the Commission does not 14 determine whether to license a proposed project but instead determines whether and under what circumstances and 15 16 conditions the project can qualify for an exemption from the state's normal licensing process. 17

If an exemption is granted the proposed Santa
Clara Data Center Project will still need to secure
appropriate licenses and permits from the various local,
state and federal agencies, which may have jurisdiction over
the components of this project.

23 On November 21st, 2011 the Energy Commission began 24 a review of the SPPE for the Santa Clara SC-1 Data Center 25 Phase 2 under the provisions, as we said, of Public

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Resources Code Section 25541, which governs Small Power
 Plant Exemptions.

There we go. You should be looking at a Schedule of Events. The Committee will conduct an evidentiary hearing here at the Santa Clara Fire Training Center on February 22nd, 2012, next month. Also on February 22nd, 2012, that will be the last day for public agencies to submit comments for the Energy Commission to consider.

9 Each party's evidence must be served on all other 10 parties, the Hearing Office and Dockets by close of business 11 on February 13th, 2012.

Within 21 days of the publication of the Proposed Decision, which is now set for March 28th, 2012, the full Commission will hear final argument and then adopt or amend the Proposed Decision. Monica, do you need me to leave this up for a moment?

17 MR. SCHWEBS: Fine.

HEARING OFFICER CELLI: Okay. So this is theschedule we intend to keep.

The Committee's small power plant review incorporates requirements equivalent to those used for an initial study under the California Environmental Quality Act, or CEQA, and examines the relevant engineering and environmental aspects of the proposed project. In our process every meeting, hearing or other event sponsored by

the Commission must be noticed and open to the public and must allow the public to comment and participate. Members of the public will have ample opportunity to make their points of view known and to comment upon this proposed project. We're going to have time to do that later; and I'm happy to say we have members of the public here today.

All decisions made in this case, including 7 8 whatever the final recommendations are, must be made solely on the basis of the public record. To ensure that this 9 10 happens and to preserve the integrity of the Commission's 11 process, Commission regulations and the California 12 Administrative Procedures Act expressly prohibits off-therecord contacts concerning substantive matters between 13 14 interested parties to the proceeding and the Commissioners, 15 their advisors and the hearing advisor.

16 This prohibition against off-the-record 17 communications between the parties and the Committee is 18 known as the ex parte rule. This means that all contacts 19 between the parties and the Committee regarding a 20 substantive matter must occur in the context of a public 21 discussion such as today's event, or in the form of written 22 communication that is distributed to all of the parties. 23 The purpose of the ex parte rule is to provide full disclosure to all participants of any information that may 24 25 be used as a basis for a future decision on this project.

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Additional opportunities for the parties and governmental agencies to discuss substantive issues with the public will occur in public workshops to be held by the Commission's staff at locations possibly here in Santa Clara and elsewhere.

Information regarding other communications between
the parties and governmental agencies is contained in
written reports or letters that summarize such
communications. These reports and letters are distributed
to the parties and are made available to the public.

Information regarding hearing dates and other events in this proceeding will also be available on the Commission's website. And Ms. Jennings will talk to you a little more about the website itself.

15 The application for a small power plant exemption 16 process is a public proceeding in which members of the public and interested organizations are encouraged to 17 18 actively participate and express their views on matters 19 relevant to the proposed project. The Committee is 20 interested in hearing from the community on any aspect of 21 this project. Members of the public are also eligible to 22 intervene in the proceeding. And if there are potential 23 intervenors we encourage you to intervene as soon as 24 possible to allow for full participation. 25 During the course of today's hearing we will

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proceed in the following manner. First we will ask the Public Adviser's representative, Jennifer Jennings, who is the Public Adviser, to explain the public participation process and to also provide an update on their efforts to contact local residents and other interested groups and organizations regarding this proceeding.

Following this we will then ask the applicant and staff to make their respective presentations. These will, in turn, be followed by comments and questions from the public or agencies present. This will be a somewhat informal process. We will provide time at the end of each presentation for parties or members of the public to ask questions today.

Following these informational presentations we will turn to a discussion of scheduling and other matters such as proposed evidence and witnesses, pending issues or other papers filed by applicant and staff.

And before we begin I just want to know if there is any question with regard to the way we are going to flow as to the agenda today?

21 No questions? Seeing no questions then let's move 22 on to Jennifer Jennings, who is the Public Adviser.

MS. JENNINGS: Thank you. Welcome, everybody. I
am Jennifer Jennings, the Public Adviser for the California
Energy Commission. Next slide, please.

I am appointed by the Governor. I am an attorney and my duties are to help the public understand the process, recommend the best ways for the members of the public to be involved and also to assist in participation in Energy Commission proceedings.

б There are two forms of public involvement in 7 Energy Commission proceedings. The first is the informal 8 participation. Public comments are welcome at every proceeding, either orally or in writing. And those comments 9 10 are considered by the Commissioners and become part of the 11 record. But they are not considered evidence, per se, under 12 our current regulations and they cannot be the sole basis of 13 a decision. Next slide.

The second level of participation, as referred to by Hearing Officer Celli, and that's becoming an intervenor. In order to become an intervenor you first file a Petition to Intervene. Those petitions are available on our website; you just fill out the form. The petition is them considered by the Committee considering the project, which in this case is Commissioners Douglas and Peterman.

And if approved you become a party to the proceeding and at that point you have the same rights and responsibilities as other parties. You can cross-examine witnesses at the hearings, both witnesses from the applicant and Commission staff witnesses. You do not have to be an

attorney to intervene. My office, myself and others in my
 office are available to help you both file the petition and
 to participate in the process once the hearings begin.

Things to do involve signing up to receive notices of upcoming events. That's available on our list serve on the Internet. If you do not have access to the Internet we can also assist with that.

8 You can submit written comments, provide oral 9 comments, attend all public events, either in person, by 10 WebEx or by conference call.

We do have assistance for those who do not speak English and we can provide accommodations for people with disabilities. Next.

14 The most important thing is to become, if you have 15 Internet access, is to become familiar with our web presence 16 on the projects. On the Commission's home page about halfway down there is a bar saying "Information About." 17 The 18 center bar refers to the power plant projects under review. 19 If you click that and you go down to the Santa Clara SPPE link, you'll come to the page for this particular project. 20 21 The left hand column gives you all the 22 possibilities for public participation. The right hand

on the list serve you will receive everything that is posted to the website regarding the project.

column, you can sign up for the list serve. And when you're

This is our contact information. Both myself and Lynn Sadler, the Assistant Public Adviser, are available at any time. Any contacts with staff that you're concerned about, you're welcome to call us. Any information that you need we will connect you with the right people. So please either call or email at any time. Thank you.

7 HEARING OFFICER CELLI: Thank you, Jennifer
8 Jennings. I am just going to say to the members of the
9 public who are here, it's great to have Jennifer. She is a
10 great resource so I encourage you to use her.

11 Next let's hear from the applicant. The applicant
12 would like to describe the project. So, Ms. Monette,
13 please.

MS. MONETTE: Thank you, Hearing Officer Celli. My name is Nora Monette, I'm with David Powers & Associates, and we're assisting the applicant with environmental issues regarding the application. Again, this is the Santa Clara SC-1 Data Center Phase 2 application for a small power plant exemption.

As was mentioned earlier, DuPont Fabros staff is here and available for questions. And the staff includes Rick Waddle, Director of Construction, Ted Hellewell, Director of Operations of the Santa Clara SC-1 Data Center, Mark Fisher, Central Manager at the Santa Clara SC-1 Data Center, Monica Schwebs of Bingham McCutcheon, counsel for

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the applicant, and also Sarah Barker-Ball, also from Bingham
 McCutcheon.

3 I'll start by going over a little background on4 Phase 2 and what I'm going to cover.

5 It is an existing data center and we'll take a 6 look at some photos of the existing uses. There has been 7 some regulatory permits issued by local and regional 8 agencies and we'll go over those briefly. Then we'll go 9 over the modifications under Phase 2 and also some of the 10 incremental, environmental effects of the buildout of Phase 11 2 with the data center.

Today, both the City of Santa Clara and the Bay Area Air Quality Management District have undertaken environmental review as part of their permitting processes and have included conditions in their permits.

16 The Bay Area Air Quality Management permit to 17 construct includes provisions on the allowed number of hours 18 of reliability testing for backup generators and also a 19 requirement that the California Energy Commission is satisfied regarding their regulations for facilities with 20 21 power generation capacity of 50 megawatts or greater. The 22 condition in the BAAQMD permit is the driver for the 23 application for a small power plant exemption for Phase 2 of 24 this data center project.

25

Okay. The existing data center building, for

1 those of you who did go on the site visit, it's a 312,000 2 square foot building and dedicated electrical substation. 3 It was constructed mostly in 2010 and 2011 and Phase 1 was 4 operational starting in September of 2011.

5 In this photograph the operational part of the 6 building is on the left, the southern end of the building, 7 and you can see the water storage tower, cooling tower, and 8 the exhaust stacks for the generators that have been 9 installed. On the right is the Phase 2 portion of the 10 building and also on the right is the substation. Again, 11 it's one building with two separate operational phases.

What is a data center? A data center houses computer servers and associated networking equipment in a secure, climate-controlled environment.

15 Some of the basic systems in this building are 16 certainly the electrical system and the mechanical system. The electrical system includes the electric wiring and 17 18 switchgear supporting the electrical demand in the computer 19 server rooms, the mechanical equipment and the offices that are in the central portion of the building; also part of the 20 21 uninterruptable power supply system. And another part of the electrical system are the backup generators. 22

The mechanical portion of the building includes chillers, a cooling tower, emergency water storage, the chilled water storage that we saw at the site, and certainly pumps and piping for computer server room cooling. There
 also are two boilers for heating the building.

3 Here are some pictures that are examples of the 4 on-site electrical system. The power is supplied by Silicon 5 Valley Power, which is the municipal utility in the City of Santa Clara. On your left is a photo of the substation that 6 faces Matthew Street at the northern end of the data center 7 8 site. There's substantial electrical equipment at the substation including a switchgear and transformers. It's a 9 10 three-bay substation. And then also the power is directed 11 into the interior electrical rooms where the uninterrupted power supply in the electrical room helps with distribution 12 13 of that power.

14 Some additional pictures of the electrical system. 15 The switchgear for incoming utility service and also the 16 backup generators. And on your right is a photograph of a backup generator that has been installed as part of Phase 1. 17 18 You can notice, you know, it's a typical engine with a fan 19 in the front for cooling. So the primary -- these are air-20 cooled, backup generators. And again, they're about 2.25 21 megawatt capacity.

The mechanical systems, some of the basic components. There's chillers in the mechanical room and also associated chilled water circulation pumps. For each phase there are 16 chillers that serve for cooling of the

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1 computer server rooms. And in these pictures there's photos
2 of the pipes that distribute the chilled water as well as
3 the cooling towers and the 500,000 gallon chilled water
4 storage tanks.

5 An important component of data centers is that б they provide redundancy of some of the equipment for reliability of the computer server facility. The base 7 8 amount of -- required to serve the design load of a facility is referred to in this equation as "N." And for Phase 2 of 9 10 the data center design, N is equal to 14 electrical systems, 11 corresponding to 14 backup centers -- generators, excuse me. 12 So basically the computer rooms are fully occupied. The 13 load would be for 14 of these electrical systems. And for 14 the cooling system the basic load when fully occupied would 15 be for six cells.

16 They are redundant systems that have been 17 installed to ensure reliability and these are And the +2 in 18 this slide. And the value can range from one to a higher 19 number but for Phase 2 there will be two redundant systems. 20 This allows for maintenance to be performed on a component 21 such as a backup generator and still ensure an additional 22 backup generator is available in reserve to operate should 23 another engine fail to start during a power outage. 24 All backup generators, including redundant units, 25 will be called into operation in the event of an

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interruption in electrical supply from Silicon Valley Power.
 For the cooling system a maximum of six cells would operate
 if the data center computer server rooms are fully occupied.

Another item of particular interest to the Energy Commission is the interconnect of the system between Silicon Valley Power, the main electrical provider, and the backup generators. The electrical demand of Phase 2 will be supplied by Silicon Valley Power, the municipal utility in the City of Santa Clara.

And in the event of a power failure the UPS or uninterruptable power supply system, would allow for a transfer from Silicon Valley Power to power from the emergency backup generators. There's relay protection in the electrical system and switchgear in the data center and at the dedicated substation that's designed to prevent any export of diesel power to the utility.

So I'd like to briefly go over what are themodifications that are involved in Phase 2.

For the electrical system there would be 16 backup generators added along with associated air pollution control and noise attenuation. There would be 16 uninterruptable power supply systems.

And in the mechanical system area there would be chillers, there would be 16 chillers, pumps, piping, two boilers for building heating, a cooling tower with eight 1 cells, and again, a 500,000 gallon chilled water storage 2 tank.

Also there would be buildout of the computer rooms as part of the interior building improvements. And the total construction period is estimated to be about ten months.

7 So in this photo, this is what the first floor 8 currently looks like in the Phase 2 portion of the building. 9 There's concrete and room for utilities, places for the 10 electrical lines to go but it hasn't been built out. And so 11 what would go in the first floor area, there would be a 12 chilled water plant. And here's some piping that's 13 installed currently in the Phase 1 part of the facility.

And there would also be the -- this is an example of a built out computer server room. And this is before the computer servers are in. The boxes on either side are electrical equipment and the vents in the floor are for distributing the cooled air through the chilled water system.

20 On the upper mezzanine floor, this is what it 21 currently looks like in its unfinished state. And those of 22 you who went on the site visit saw these louvers in the 23 mezzanine area. And you can see there's spaces for the 24 electrical conduits to be connected. And what would be 25 installed again would be backup generators, there would be

day tanks for the generators and air pollution control
 equipment.

3 Again, some of the environmental controls 4 associated with the improvements in Phase 2. There's 5 selective catalytic reduction systems for nitrogen oxide б control. There's also secondary containment for fuel tanks. And these facilities have been inspected by the City of 7 Santa Clara Fire for conformance with local/state 8 9 regulations. Also there are some limited quantities of 10 water treatment chemicals associated with the chilled water 11 system and those also have containment.

12 And important part of data centers is the energy efficiency measures that are built into them. One of the 13 measures of how effective a data center is, is the power 14 usage effectiveness or PUE. In this metric the total 15 16 facility load, which consists of the critical load of the 17 computer servers, so the amount of energy the computer 18 servers need and their networking equipment, plus the air 19 handling equipment load plus the mechanical plant load plus 20 the house power load, which is, you know, the lights for the 21 offices, that sort of thing. So that quantity of demand is 22 divided by the critical computer server load.

The lower the PUE the more efficient a data center is deemed to be. The PUE for the SC-1 data center at its anticipated facility loads is 1.4. An important part of 1 this design, the clients do pay for the electricity use at 2 the facility so they have an incentive for using a facility 3 that's very efficient.

This facility was also designed to meet US Building Council LEED Gold Certification and the applicant is in the process of obtaining that certification.

7 So next I'd like to talk a little bit about what 8 are the environmental effects of the proposed Phase 2 9 buildout. First there would be the temporary effects of 10 construction. These include the construction trips to and 11 from the site by construction workers and deliveries of 12 equipment and materials.

There would be limited construction noise. Mostly there would be interior finishing delivery. There would be some outside installation of mechanical equipment but there wouldn't be any building demolition or site grading.

17 There also would be, as we pointed out in the site 18 visit, a temporary driveway installed to facilitate keeping 19 the construction activities separate from operation of the 20 Phase 1. And in this slide we show the approximate location 21 of the temporary construction driveway on the right with a 22 star at the end of Matthew Street there to allow deliveries 23 of the mechanical equipment and the backup generators, separate from going through the main, current driveways. 24 25 There are some incremental environmental effects.

21

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These were -- the environmental effects of building the 1 2 entire facility were addressed in an initial study and 3 mitigated neg dec by the City of Santa Clara in 2008. And 4 also BAAQMD, the Bay Area Air Quality Management District, 5 did an environmental review as part of their permitting process for the backup generators. So these Phase 2 6 environmental effects have been looked at by two agencies 7 8 but we wanted to go through the incremental effects remain for buildout of this site. 9

10 There would be some increased air emissions from 11 reliability testing of the 16 generators and also the 12 operation of the two boilers.

There are mitigation measures included in the project in terms of the air emission controls on the backup generators. And they are also limited in their hours of operation by the Bay Area Air Quality Management District.

And it's important to note that the emissions do not exceed BAAQMD's thresholds of significance for criteria pollutants such as nitrogen oxides or toxic air contaminants such as diesel particulates.

Operation of the generators also would have some greenhouse gas emissions, both direct from backup generators and indirect from client trips. As outlined in the application for the small power plant exemption, these emissions would be below EPA thresholds for permitting.

There would also be some incremental noise from testing the backup generators. There will be noise baffles installed to reduce noise during operation. And the baffles are designed so that the noise levels meet City of Santa Clara noise ordinance standards at the property line.

6 The cooling system utilizes recycled water rather 7 than potable waters and so there wouldn't be a substantial 8 impact to the potable water supplies of the City of Santa 9 Clara. And also the applicant has worked with the City on 10 controlling discharges from the cooling tower so that there 11 wouldn't be a significant impact to the City's sanitary 12 sewer system.

In closing, Phase 2 of the Santa Clara SC-1 Data Center Project is part of redevelopment of a former vacant industrial site in the City of Santa Clara. Buildout of the building would allow utilization of the northern half of the building for hosting computer servers in a highly managed data center near high-tech users in Silicon Valley.

19 The data center would use recycled water for 20 building cooling in accordance with the policies of the City 21 of Santa Clara and the San Jose/Santa Clara Water Pollution 22 Control Plan.

And electric power from the local municipalutility, Silicon Valley Power.

25

So that's the conclusion of our presentation. And

if at the appropriate time there are questions we would be 1 2 available to answer them, thank you. 3 HEARING OFFICER CELLI: Thank you, Ms. Monette, 4 representing the applicant. Now let's hear from staff, the 5 California Energy Commission staff. Is that microphone 6 going to work for you, Bob? 7 MR. RYAN: I think it's, I think that one is out 8 of commission. 9 HEARING OFFICER CELLI: Okay. 10 MR. WORL: It works intermittently. 11 MR. RYAN: Try it and see what happens. 12 Well, my part of the presentation is MR. WORL: 13 basically the process that staff goes through in doing the 14 evaluation for the small power plant exemption process. 15 Do we have the clicker? I think I've got a better 16 angle here now. Okay. 17 The Energy Commission has authority for power 18 plants capable of producing 50 megawatts or greater of 19 electrical energy and also the related facilities, transmission lines, water supply systems, natural gas 20 21 pipelines, waste disposal facilities and access roads. And 22 in this process and for this particular case, most of these 23 are already in place. 24 A small power plant exemption relates to thermal 25 power plants. And as was already mentioned by Ken, Section

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1 25541 of our regulations allow us to exempt a power plant 2 100 megawatts or less from our process, assuming it has no 3 substantial adverse impacts on the environment and there's 4 no substantial impacts on energy resources.

5 The SPPE process is an exemption from our 6 jurisdiction, not a permit or a license to build a project. 7 The SPPE process consists of the site visit, committee 8 hearing, conferences, all of which are noticed and open to 9 the public. And the Energy Commission's staff is preparing 10 an initial study and expects to prepare a mitigated negative 11 declaration as well.

12 Following hearings the Committee prepares a 13 proposed decision and the final decision is by a vote of the full Energy Commission and the exemption is approved. 14 Ιf 15 the exemption is approved the applicant will apply for 16 appropriate permits from local, state and federal agencies 17 as necessary. And I believe in this instance those are in 18 place with the City of Santa Clara. And the Bay Area Air 19 Quality Management District has already provided an 20 authority to construct for the complete Phase 1 and Phase 2 21 facility and what's waiting is the permit to operate 22 specifically for the Phase 2 facility. And that's dependant 23 upon our exemption proceedings. 24 Initially staff begins doing a discovery and

25 analysis. A period of data gathering by staff, agencies,

intervenors. All parties analyze the project information and provide their review. The review of the proposed project mitigation measures are looked at. To facilitate public and agency participation is a big part of that and Jennifer Jennings mentioned how her process works.

And we then prepare an environmental document, in this case an initial study and proposed mitigated neg dec. And it's based on an environmental checklist format that's in the California Environmental Quality Act guidelines, Appendix G. It's also part of our process as well, it's in our regs.

A 30 day comment period is normal. In this instance we're going to have a 20 day, a 20 day comment period between the publication of our initial study and the hearing on this, which is allowable under CEQA.

Workshops to discuss documents and resolve issues are a normal part of this. But to date we have received absolutely no resistance or no lack of information from the applicant and no expressed questions from other parties and we don't, at this time, have a scheduled workshop.

21 Staff's final phase in the analysis is to make a 22 recommendation to the Committee, represented by Commissioner 23 Douglas here today, and Carla Peterman is the second 24 commissioner on this case. And Ken Celli is the hearing 25 officer that works with the Committee to work on preparation

1 and dissemination of the proposed decision documents.

2 The next phase is the evidentiary hearing and 3 decision process. An evidentiary hearing is conducted by 4 the Committee to hear findings and conclusions of staff, the 5 applicant, agencies, other parties and comments from the б The Committee conducts hearings on all information, public. considers all of the environmental documents, all of the 7 8 evidence that's presented by parties in this case and then prepares and issues a proposed decision. 9 10 The proposed decision contains findings related to 11 environmental impacts and mitigation, conditions of 12 exemption if any are required, and whether or not to approve 13 the exemption. A proposed decision hearing and Commission decision follows that. 14 Staff also works with local state and federal 15 16 agencies and interested parties as well. Staff works 17 closely when necessary with, in this instance, the City of 18 Santa Clara who has already provided an initial study and 19 mitigated neg dec for the project and was issued in 2008. 20 We also work with the Bay Area Air Quality 21 Management District and the Department of Fish and Game. 22 And also the staff usually works with the Environmental 23 Protection Agency to ensure that we are following any of the 24 requirements in regards to prevention of significant 25 deterioration, air quality issues.

Public participation opportunities. Jennifer has 1 2 mentioned these. You can submit written comments or 3 statements to the Commission on the staff's initial study 4 and on the Presiding Member's Proposed Decision, in this 5 case Proposed Decision. Can provide oral comments at any of 6 the public meetings, workshops or hearings. And again, you 7 can become a formal intervenor. The process is somewhat 8 complex but very quick. And Jennifer Jennings and the Public Adviser's Office assists anyone who wants to go 9 10 through that process.

Public participation information. We try to make things open and available to staff, not only through these public meetings but also prior to any hearing or any other event. We try to notice them ten days in advance. We do -we are required to notice them ten days in advance. There is a mailing list established for the project. We also send information to local libraries and interested agencies.

And as already mentioned, the List Server. There is one generally that gives you almost everything that's of interest on our Energy Commission processes. And there is also a specific one down below where all the information that's available is on the Santa Clara website. And that's the second one there.

HEARING OFFICER CELLI: Can I just interrupt for asecond, Bob?

MR. WORL: 1 Yes. 2 HEARING OFFICER CELLI: Just for everybody's 3 information, we are broadcasting through WebEx, it's 4 essentially a teleconferencing software. But they are only 5 getting the audio and they are not getting the, they are not getting the PowerPoint so they're just listening to the 6 7 audio. So if you wouldn't mind reading it out so they can, 8 you're going to have to give the URL. 9 MR. WORL: I would be happy to do that. HEARING OFFICER CELLI: Thank you. 10 11 MR. WORL: The URL is the -- this is for the 12 Energy Commission siting cases and Santa Clara, is 13 www.energy.ca.gov/sitingcases/santaclara. That's the URL 14 for this particular siting case, the small power plant 15 exemption for the Santa Clara Data Center. 16 Also information can be sent to or requested from 17 the Dockets Unit at the Energy Commission, 1516 Ninth 18 Street, MS-4, Sacramento, California, 95814-5512. 19 And the proposed schedule. I'm going to say right now that there's a couple of errors on here that -- I don't 20 21 know. Some gremlin yesterday when this was being put together at five o'clock made a mistake. So I'll point 22 23 those out to you. 24 This project was filed on 11/21/11, November 21st,

25 2011. This is the informational hearing and site visit,

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1 January 26, 2012.

I

2	We are planning to file the Initial Study on
3	February 1st, 2012, which is next week. The Notice of
4	Intent to Adopt a Mitigated Neg Dec also will be filed the
5	same day that we file the Initial Study. I note on here
6	that there's a 30 day comment period on the Initial Study
7	and Mitigated Neg Dec Proposal. In this instance there's 20
8	days that will be available to comment on the document.
9	Thirty days is usually our goal in the siting process. In
10	this instance schedule constraints will limit us to the 20
11	days.
12	The agency, applicant, public comments on the
13	Initial Study and Proposed Mitigated Neg Dec are due
14	February 22nd, 2012.
15	And there is an evidentiary hearing scheduled on
16	that date, February 2nd the 22nd, excuse me, February
17	22nd, 2012.
18	And the Committee is planning to file a Proposed
19	Decision on March 28, 2012.
20	And the date for a Commission consideration of the
21	Proposed Decision is April 2nd, 2012.
22	I just want to note the other error that I have up
23	there is I have a $3/1/12$ date that was apparently
23 24	there is I have a 3/1/12 date that was apparently somebody's thumbs got up there and instead of typing a "2" I

1 the end of the comment period.

3 early in a process and actual determination is by the 4 Committee. In this instance the Committee has already 5 noticed the February 22nd date for the evidentiary hearin 6 And also the April 2nd date for Commission consideration 7 and the Committee Proposed Decision date of March 28th, 2	012 r
5 noticed the February 22nd date for the evidentiary hearin 6 And also the April 2nd date for Commission consideration	012 r
6 And also the April 2nd date for Commission consideration	012 r
-	012 r
7 and the Committee Proposed Decision date of March 28th, 2	r
8 are in the second notice that the Committee has issued fo	
9 this case.	
10 Once again, the Energy Commission contacts here	
11 are: Karen Douglas is the Presiding Member. Carla Peterm	an
12 is the Commissioner who is an Associate Member of this	
13 Committee. Ken Celli is the Hearing Officer assigned. H	is
14 phone number is 916-651-8893. And Ken, you want me to re	ady
15 your email?	
16 HEARING OFFICER CELLI: Please.	
17 MR. WORL: His email address is	
18 kcelli@energy.state.ca.us.	
19 And Robert Worl is the project manager. Can be	
20 reached at 916-651-8853. My email is	
21 rworl@energy.state.ca.us.	
22 Dick Ratliff is the staff attorney assigned to	
23 this case. He can be reached at 916-653-1653. His email	is
24 dratliff@energy.state.ca.us.	
25 And Jennifer Jennings and the Public Adviser's	

Office are available. The toll free number is 800-822-6228.
 Their direct line, 916-654-4489. Now the email for the
 Public Adviser is PAO@energy.state.ca.us. That's it.

4

HEARING OFFICER CELLI: Thank you, Mr. Worl.

5 Now, ladies and gentlemen, where we are at in our б schedule today is -- and I want to say this for the benefit 7 of the public. Normally I would ask for public comment at 8 this time except there's a little more business to take care of between the parties. And I think it would be best if we 9 10 take care of all the business, you can hear all of this, and 11 comment or question at the end of the everything rather than piecemeal it out. So if you'll just be patient with us on 12 13 this regard. I just want to --

We normally would have an issues identification. We really don't have that here today. And I wanted to ask the parties -- and Ms. Schwebs, you may want to be able to get someplace where you can be heard on a microphone over here. Here we go. Chief Ryan is going to help you.

MR. RYAN: Yeah. We can go wireless so it will gothrough the room or through this system here.

HEARING OFFICER CELLI: She can just pull up next
to Monica, perhaps, and can use that mic.

23 MR. RYAN: All right. What I'm going to do is I'm
24 going to get a mic stand and I'll put that right in it.
25 HEARING OFFICER CELLI: Thank you. I am going to

ask some questions of the applicant and staff, which for at 1 2 least at this moment in time they're the only parties in this project. So I wanted to know the kind of evidence the 3 4 parties will be submitting. Will the parties be calling any 5 witnesses? I'd be interested if the parties can identify 6 those witnesses today. I want to suggest to the parties, 7 I'm going to suggest that we prefile résumés, of course. 8 Prefile as much as we can.

9 And anything the parties can stipulate to. You 10 don't have to do it today. I'm just saying basically in 11 general to facilitate the process. Any stipulations, any 12 prefiling. I am going to ask the parties to be mindful that 13 when we do take your evidence --

14 Because we are not going to have a prehearing 15 conference in this matter because it's moving along. I know 16 I'm handling things that are usually handled later at a prehearing conference. But I'm just giving you a heads up 17 18 that I would -- if your evidence is to be submitted by 19 stipulation I'm going ask that your stipulations include 20 foundation and authentication. And really that's the only 21 extraordinary thing.

22 So with that, let's go with the applicant first. 23 If you can just give us a little background. How do you see 24 the hearing going?

MR. SCHWEBS: Is this on?

25

1

(Affirmative responses.)

2 MR. SCHWEBS: It's, obviously, difficult to tell 3 at this point because we haven't seen the staff's analysis. 4 We have been able to talk with Bob frequently and it is our 5 understanding that there are none or maybe a handful of 6 On the assumption that it will be none I am issues. 7 strongly hoping that we will stipulate to everything; there 8 will be no need for any evidentiary hearings in this matter. 9 HEARING OFFICER CELLI: And staff, do you concur? 10 MR. WORL: Yes. And just clarifying one thing. 11 And that is that staff has identified no issues of any real substance that are unresolvable or that could affect our 12 13 scheduling. So that was the reason that we did not submit 14 an Issues Identification Report. 15 HEARING OFFICER CELLI: Thank you, I appreciate 16 that. And really just for the benefit of the public, that's what a small power plant exemption is all about. it is --17 18 the Energy Commission certifies projects thousands of 19 megawatts. And so for something this small to come along, 20 in order for it to be exemptible it has to be pretty cut and 21 dried, pretty simple. And as at this point it appears to 22 be, anyway. 23 I just want to be clear on that. It sounds to me 24 like the hearing, unless some unforeseen event shows up or 25 you get some information you weren't ready for, would be

1 really rather short. Submission of evidence, I imagine the 2 study --

MR. SCHWEBS: And really the application. HEARING OFFICER CELLI: The application.

3

4

5 MR. SCHWEBS: And the initial study from the City 6 of Santa Clara.

7 HEARING OFFICER CELLI: Right. Staff's analysis.
8 and really the stipulation is to their authentication and
9 legal foundation and that would be that, unless I'm missing
10 something.

MR. WORL: The staff's evidence will be the initial study and the proposed mitigated neg dec and a list of staff that are available. I would like to provide to you electronically, and all parties electronically, and then I'll docket that as well. So that everybody has access to who has worked on this process.

And if there are any questions from the public or from any other source, agency or the Committee, we'd be happy to request that, that the appropriate witness come to sponsor their section.

21HEARING OFFICER CELLI: Excellent. So you will be22filing your prefiled résumés along with the --

23MR. WORL: With the initial study.24HEARING OFFICER CELLI: -- the study. Excellent.25And the same with -- we'll be receiving résumés

1 from all the would-be witnesses.

2 MR. SCHWEBS: I don't think you're going to see 3 the same kind of conventional staff-type analysis. This is 4 obviously not broken down into areas the way an AFC would 5 It's an application, there's a lot of work that's gone be. into it by a lot of people, but we will satisfy the 6 7 requirements. 8 HEARING OFFICER CELLI: Excellent. Okay, so that's good. Really I have no further questions. 9 Ms. Schwebs, are you okay with the schedule that 10 11 we proposed? 12 MR. SCHWEBS: Yes, I have consulted with DuPont 13 Fabros and that schedule looked good to them. HEARING OFFICER CELLI: Okay. 14 15 MR. SCHWEBS: I do note that if there are 16 intervenors or if the staff's position changes there may be a need for more time. But at this time we have neither so 17 18 we're hopeful that this will actually be the schedule for 19 this proceeding. You know, we really need for this decision 20 to be issued on that schedule. 21 HEARING OFFICER CELLI: Very well. And staff, any 22 foreseeable changes? 23 MR. WORL: No. I have one question of the 24 applicant that might be of interest to the other parties. 25 And that is relating specifically to a potential

1 construction schedule. And that is, whether or not DuPont 2 Fabros at this time knows what their proposed start date 3 would be, assuming the exemption were to be provided? You 4 had indicated a ten month schedule to do the buildout but we 5 were curious regarding a potential start date.

> MR. SCHWEBS: Rick do we have one at this point? MR. WADDLE: Not yet.

8 MR. SCHWEBS: No, I don't think so. I have been 9 previously told, and Rick can correct me here, that the way 10 the data center business works, you always have to be ready 11 since there can be a client that comes by that needs a lot 12 of data space very quickly. But Rick can correct me if I'm 13 wrong.

MR. WADDLE: Yeah, it's more of a just-in-time business so it's all based on leasing. But we don't have a start, we don't have a proposed start date yet for the new part.

18 MR. WORL: Thank you, that's very helpful.

HEARING OFFICER CELLI: And I just want the record to reflect that there is no start yet set in stone as yet. Because you're not on the microphone so I just want to make that clear.

23 MR. WADDLE: Correct.

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HEARING OFFICER CELLI: The last day for aCommission Decision, which was day 135, we show as April

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2nd, is really -- we put that out there to show that's the 1 2 135th day of the process. But if we are able to get final 3 argument in front of the Commission on March 28th, which we 4 have booked as a special hearing date, the decision could be 5 out that day. So I just want to be clear with you on that. 6 MR. SCHWEBS: I do point out that part of the 7 reason that we really need that date is that the BAAQMD air 8 permits have been issued for Phase 2 to construct. There may be a need to get an extension on those. We want the 9 10 next version of these permits to not have the current 11 condition. 12 MR. WORL: This is Bob Worl speaking again. I was 13 in touch with the Bay Area Air Quality Management District, Tomiko Endow, and she informed me that that date can be 14 15 flexible upon application. So again, I just wanted to state 16 that we had investigated that as a hard and fast need. 17 HEARING OFFICER CELLI: Anything further from 18 applicant? 19 MR. SCHWEBS: No. 20 HEARING OFFICER CELLI: Okay. Or staff, regarding 21 anything? Scheduling or anything. MR. WORL: Oh, thank you for the lunch. 22 23 (Laughter.) 24 MR. SCHWEBS: I would like to thank Payal for

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1 thank the fire chief for being not only our host here but
2 our tech support. You know, it's very unusual and I'm very
3 impressed that the City of Santa Clara has such an adept
4 person working here.
5 HEARING OFFICER CELLI: Thank you. I wanted to --

6 every so often something gets said and I just want the 7 record to be clear. You mentioned lunch. Who supplied the 8 lunch?

MS. MONETTE: DuPont Fabros.

9

HEARING OFFICER CELLI: Oh, DuPont Fabros, okay.Well thank you very much, I wasn't aware of that.

12 Okay, with that now it's time for the public 13 comment. We'd like to hear from, we have a couple of 14 members of the public, who would like to make a comment or a 15 question. You don't have to. You don't have to identify 16 yourselves. But we do like to hear from the public if they are interested in making a comment. Do we have any 17 18 interest, Ms. Jennings, from the public --19 MS. JENNINGS: No. HEARING OFFICER CELLI: -- to comment? 20 21 MS. JENNINGS: No. 22 HEARING OFFICER CELLI: Okay, none. At this time 23 I am going to hand the podium back to Commissioner Douglas. 24 PRESIDING MEMBER DOUGLAS: Thank you, Hearing Officer Celli. 25

At risk of prolonging this excellent informational 1 2 hearing, hopefully not too much, I wanted to ask staff if 3 you could talk about how you are using or benefitting from the environmental reviews that have already been conducted 4 5 on this project and to what degree, if at all, you think any supplemental work needs to be done? 6

7 MR. WORL: Number one, the initial study that was 8 done by the City of Santa Clara was very thorough and very good. It contained a great deal of excellent information. 9 It was issued in 2008. We did work with the applicant to 10 11 update that information and to provide us with more detail 12 on Phase 2.

13 So the application itself -- prior to their deciding to file we had a number of prefiling meetings and 14 15 discussions and were able to provide them with the types of 16 supplemental information questions that staff generally 17 asks. And they did an excellent job of providing that 18 supplemental information in the application itself so that 19 we didn't have to go through a period of data requests, 20 response and the subsequent workshop process normally 21 associated with that.

22 PRESIDING MEMBER DOUGLAS: All right thank you, 23 that's helpful. Anything to add, applicant? Just giving 24 you the opportunity. It looks like nothing to add. 25

So I appreciate that. I appreciate you,

obviously, working closely and well with the work that had already been done and efficiently supplementing where you saw the need due to the lapse of time and so on. So thank you for that.

5 I am really hoping that this project will stay on б schedule. The Committee would like to hear right away if 7 anything comes up that could impact the schedule. But from what I've heard so far it sounds like -- famous last words 8 -- but it sounds like we are on track to keep the schedule 9 10 and that's what we would like to see, so thank you for that. 11 Thanks to the members of the public who have accompanied us today in this informational hearing and with 12 13 that we are adjourned. (The Informational Hearing adjourned 14 15 at 1:42 p.m.) 16 --000--17 18 19 20 21 22 23 24 25

## CERTIFICATE OF REPORTER

I, RICHARD FRIANT, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Informational Hearing; that it was thereafter transcribed.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, or in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of February, 2012.

# RICHARD FRIANT, CER\*\*D-479

# CERTIFICATE OF TRANSCRIBER

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.

RAMONA COTA, CERT\*\*478

February 1, 2012