

February 4, 2020, California Energy Commission Business Meeting

Item 1. APPLICATION FOR SMALL POWER PLANT EXEMPTION FOR THE LAURELWOOD DATA CENTER (19-SPPE-01).

Committee Proposed Decision

<https://efiling.energy.ca.gov/getdocument.aspx?tn=231721>

List of Documents filed in the Laurelwood Data Center Application for Small Power Plant Exemption, including any filed after this list was created on January 31, 2020:

<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=19-SPPE-01>

Project Web page: <https://ww2.energy.ca.gov/sitingcases/laurelwood/>



**State of California
Energy Resources Conservation and
Development Commission**
1516 Ninth Street, Sacramento, CA 95814
1-800-822-6228 – www.energy.ca.gov

***APPLICATION FOR A SMALL POWER PLANT
EXEMPTION FOR THE:***

LAURELWOOD DATA CENTER

Docket No. 19-SPPE-01

[Proposed] Order No: 20-0204-1

[PROPOSED] COMMISSION ADOPTION ORDER

By this **ORDER**, the California Energy Commission (CEC) hereby adopts as its own Commission Decision the Committee Proposed Decision dated January 24, 2020¹ and Errata dated February 4, 2020.²

The Commission Decision addresses the Application for a Small Power Plant Exemption submitted by MECP1 Santa Clara 1, LLC for the Laurelwood Data Center, which includes 56 3.0-megawatt standby diesel generators as part of an uninterruptible power supply to the Laurelwood Data Center. The Laurelwood Data Center, the backup generators, and related activities, are collectively referred to herein as “the Project.”

The Commission Decision is based upon the hearing record of these proceedings. The Initial Study/Mitigated Negative Declaration and the entire hearing record are on file in the CEC’s Docket Unit, located at 1516 Ninth Street, Sacramento, CA, 95814, and are available for inspection by any interested person. The documents and other materials that make up the record of this proceeding relied upon in making this decision are also available online on the CEC’s website at:

<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=19-SPPE-01>

FINDINGS

We hereby adopt the following findings pursuant to Public Resources Code sections 21000 et seq. and 25541 and applicable implementing regulations, in addition to those contained in the Commission Decision:

1. That the backup generators will not generate electricity in excess of 100 megawatts.
2. The demolition, construction and operation activities of the Project will not create a substantial adverse impact on the environment.

¹ TN 231721.

² TN TBD.

3. The demolition, construction and operation activities of the Project will not create a substantial adverse impact on energy resources.

ORDER

Therefore, we order the following:

1. The Laurelwood Data Center backup generators are **GRANTED** a Small Power Plant Exemption from the Application for Certification provisions of the CEC's power plant licensing process.³
2. The Hearing and Policy Unit of the CEC Chief Counsel's Office shall incorporate the Commission Decision and any modifications made by the Commission during the February 4, 2020, Business Meeting into a single document.
3. The CEC staff shall file a Notice of Determination with the State Clearinghouse within five (5) business days of February 4, 2020, subject to Applicant being responsible for payment of all applicable filing fees.

CERTIFICATION

The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of an Order duly and regularly adopted at a meeting of the CEC held on February 4, 2020.

AYE:

NAY:

ABSENT:

ABSTAIN:

Cody Goldthrite
Secretariat

³ Pub. Resources Code, § 25541.



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Docket No. 19-SPPE-01

LAURELWOOD DATA CENTER

ERRATA TO COMMITTEE PROPOSED DECISION

After reviewing the comments submitted by the parties and members of the public, we incorporate the following changes¹ into the January 24, 2020 Committee Proposed Decision (Proposed Decision) for the Laurelwood Data Center Small Power Plant Exemption:

1. On page 5, under the heading, “Data Center,” revise the first paragraph to read as follows:

The Data Center consists of two, ~~four~~ **multi**-story buildings. Building 1 is an approximately 279,744 ~~250,560~~-square-foot structure with a common building that connects with Building 2 **supporting amenities including elevators, restrooms, lobby, staging, and storage**. Building 2 is an approximately ~~348,800~~ **283,392**-square-foot structure with ~~two connected office/common spaces~~ **supporting amenities including elevators, restrooms, lobby, staging, and storage**. Both buildings include loading docks, generator yards, bioswales, paved surface parking lots, and landscaping.¹⁶

Revise footnote 16 as follows:

Ex. ~~28~~, p. 4-4 **2-1**.

2. On page 5, under the heading, “Data Center,” revise the first sentence of the second paragraph to read as follows:

The buildings will create a combined electrical load of **up to** 99 MW.

3. On, page 6, revise the source line for Table 1 as follows:

(Source: Ex. 8, p. 2-6, Table 2-4. [Note: standby generator as used in the source document refers to the Backup Generators.]

¹ Where text is revised, additions are shown in **bold underline**, and deletions are shown in ~~strikeout~~.

4. On page 13, revise Condition of Exemption PD-1 as follows:

Condition of Exemption PD-1. Notice of Events Affecting Electrical Demand of the Facility.

5. The granting of the Small Power Plant Exemption for the Laurelwood Data Center project is specifically conditioned on the existing configuration of the Laurelwood Data Center and that its demand for electricity does not exceed 100 megawatts. The Project Owner may not alter ~~the configuration or equipment of the Laurelwood Data Center if the demand for electricity would then increase or if generation would exceed~~ **to greater than** 99 megawatts. If the Project Owner desires to ~~alter the configuration or equipment of the Laurelwood Data Center that may result in an increase in~~ electrical demand, any such alteration, change, or modification shall be subject to the requirements set forth in the regulations of the California Energy Commission relating to changes in project design, operation, or performance and amendments to Commission Decisions, as they may exist at that time.

6. On page 13, revise Condition of Exemption PD-2 as follows:

Condition of Exemption PD-2. Notice of Events Affecting Off-Site Distribution of Energy Generated by the Facility.

7. The granting of the Small Power Plant Exemption for the Laurelwood Data Center project is specifically conditioned on the power generated being used exclusively by the Laurelwood Data Center. At no time shall the owner of the Laurelwood Data Center allow the power to be generated to be used for any other facility, property, or use, including, but not limited to, delivery to the **offsite** electric distribution system without the express written approval of the California Energy Commission.

Verification. The Project Owner shall notify the Executive Director of the California Energy Commission of any proposed change to the distribution of power **offsite** from the backup generators at the Laurelwood Data Center at least ninety (90) days prior to the change being effective.

8. On page 17, revise the last sentence on the page as follows:

Table 2 shows the ambient air quality standards for these criteria pollutants **relevant to the Project.**

9. On page 19, make the following deletion and addition of text:

Second, staff modeled the impact of testing and maintenance emissions on ambient air quality and compared the resulting concentrations to the ambient air quality standards, as summarized in **Table 4.** ~~using the Applicant's revised limit of 21 hours per generator per year⁹³~~ **The short-term (i.e. 1-hour, 8-hour, and 24-hour) and long-term (annual) impacts of the project were all analyzed according to the averaging period of each standard and the Applicant's proposed testing and maintenance schedule for each hour, each day, and**

each year. The annual impacts were analyzed using the Applicant's revised limit of 21 hours per generator per year for testing and maintenance purposes. Pages 5.3-18 and 5.3-19 of the IS/PMND include a more detailed description of how the modeling was done for short-term and long-term impacts.

10. On page 27, revise the first paragraph as follows:

As set forth above, Staff modeled **annual impacts of the Project assuming** 21 hours per generator per year for testing and maintenance purposes and we have adopted Condition of Exemption PD-3 to limit the Project to 21 hours per generator per year for testing and maintenance. The uncontested evidence is that actual testing will only require 12.3 hours per generator per year.[retain existing footnote] Even if we were to assume that the approximately 7.5 hour outage previously experienced by data centers is reasonably foreseeable and aggregate that outage with the actual number of testing hours, the analysis conducted sufficiently addresses the potential impacts from both the testing and maintenance operations and the reasonably foreseeable emergency operations of the Backup Generators. As shown in **Tables 3 and 4**, the NOx emissions, as offset, do not exceed the threshold of significance of 10 tpy. We therefore find that the reasonably foreseeable emergency operations of the Backup generators will not cause a significant impact to air quality.

11. On page 27 and continuing on to page 28, revise the last paragraph as follows:

We therefore find that the IS/PMND adequately analyzed the emissions of the testing and maintenance of the Backup Generators. We further find that emissions from the testing and operation **maintenance** of the Backup Generators would not be significant or exceed the thresholds established by BAAQMD.

12. On page 30, under the heading, "Stationary Sources," revise the second sentence of the first paragraph as follows:

For commercial/industrial land use development projects, BAAQMD has adopted a numeric threshold of 1,100 ~~million~~-metric tons of CO₂e per year (MTCO₂e/yr) and a qualitative threshold of complying with a qualified greenhouse gas reduction strategy.

13. On page 34, last paragraph on the page, revise the second sentence as follows:

It relied on AERMOD modeling, **with HARP2 to determine cancer, chronic, and acute health risks of TACs from the Project.**¹⁸⁸ ~~which is capable of accounting for existing air quality including emissions from existing projects.~~¹⁸⁹

14. On page 37, revise the first full paragraph to read as follows:

Staff also noted that the Project would require review by the Federal Aviation Administration (FAA) for any construction or alteration of navigable airspace exceeding 200 feet above ~~ground level~~ **mean sea level** (AGL~~AMS~~**SL**). It also requires notification for construction or alterations within 20,000 feet of an airport with a runway more than 3,200 feet in length if the height of the construction or alteration exceeds a slope of 100 to 1 extending outward and upward from the nearest point of the nearest runway of the airport. If a project's height exceeds 200 feet or exceeds the 100:1 surface, the project applicant must submit a copy of FAA Form 7460-1, Notice of Proposed Construction or Alteration, to the FAA. The threshold for the FAA notification 100:1 surface exceedance height would be 82 feet for the project site. With a maximum project height of 117.5 feet AGL~~AMS~~**SL**, the ~~project~~ **Project** would exceed the FAA notification 100:1 surface threshold of 82 feet at the ~~project site~~ **Project Site**. As a result, the ~~project applicant~~ **Applicant** would need to submit Form 7460-1, Notice of Proposed Construction or Alteration, to the FAA. The City of Santa Clara, as the permitting agency, would ensure consistency with this policy.²⁰⁸

15. On page 44, revise the first sentence of the third paragraph as follows:

To be adequate, **an initial study shall contain a description of the project, including the location of the project, and identify the environmental setting in which the project will occur.** ~~the project description of a negative declaration must contain (1) the precise location and boundaries of the proposed project; (2) a statement of the objectives sought by the proposed project, including the underlying purpose; (3) a general description of the project's technical, economic, and environmental characteristics; and (4) a statement briefly describing the intended uses of the EIR.~~

16. On page 44, revise existing footnote 246 as follows:

²⁴⁶ Guidelines, § 45124 **15063(b)**.

NOTE: All footnotes are to be renumbered as may be required by the changes adopted above.

Dated: February 4, 2020, at Sacramento, California

Original Signed by:

KAREN DOUGLAS
Commissioner and Presiding Member
Laurelwood Data Center SPPE Committee

Dated: February 4, 2020, at Sacramento, California

Original Signed by:

JANEA A. SCOTT
Vice Chair and Associate Member
Laurelwood Data Center SPPE Committee