



NOTICE OF PREPARATION

Notice of Preparation of a Draft Environmental Impact Report

In accordance with Title 14, California Code of Regulations, section 15082, California Energy Commission (CEC) staff has prepared this Notice of Preparation (NOP) to inform the Office of Planning and Research (OPR) and each responsible and trustee agency that an EIR will be prepared for the Lafayette Backup Generating Facility (LBGF) (20-SPPE-02) proposed in the City of Santa Clara. The LBGF would be part of the Lafayette Data Center (LDC). Both the LDC and LBGF components are collectively referred to as the project.

The CEC has the exclusive authority to certify all thermal power plants (50 megawatts [MW] and greater) and related facilities proposed for construction in California. The Small Power Plant Exemption (SPPE) process allows applicants with facilities between 50 and 100 MW to obtain an exemption from CEC's jurisdiction and proceed with local permitting rather than requiring CEC certification. 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. Public Resources Code section 25519(c) designates CEC as the lead agency, in accordance with the California Environmental Quality Act (CEQA), for all facilities seeking an SPPE.

Pursuant to section 15082(b), each responsible and trustee agency and the OPR shall provide the CEC with specific detail about the scope and content of the environmental information related to the responsible or trustee agency's area of statutory responsibility that must be included in the draft EIR. At a minimum, the response shall identify:

- the significant environmental issues and reasonable alternatives and mitigation measures that the responsible or trustee agency, or the Office of Planning and Research will need to have explored in the draft EIR;¹ and
- whether the agency will be a responsible agency or trustee agency for the project.

This response is due to CEC within 30 days of receipt of the NOP. If a responsible or trustee agency, or the Office of Planning and Research fails by the end of the 30-day period to provide CEC with either a response to the notice or a

¹ Please note that pursuant to section 15082(b)(3), a generalized list of concerns not related to the specific project shall not meet the requirements of this section for a response.

well-justified request for additional time, CEC will presume that none of those entities have a response to make.

The preferable method to submit responses is via CEC's electronic commenting system. To access this system, commenting agencies should go to CEC's webpage for this proceeding: <https://ww2.energy.ca.gov/sitingcases/lafayette/>, click on the "Comment on this Proceeding" link, and follow the instructions in the online form. Please be sure to include the project name in your comments. Once filed, the comments will become part of the proceeding's public record.

If you have any questions or need additional information on how to participate in CEC's review of the proposed project, please contact Leonidas Payne, Project Manager, by email at leonidas.payne@energy.ca.gov.

Project Location and Description

The approximately 15.45-acre project site is located at 2825 Lafayette Street in the City of Santa Clara. The property is zoned Heavy Industrial. The site is currently developed with two, two-story office buildings that would be demolished to construct a three-story 576,120 square foot data center building, generator equipment yard, surface parking, and landscaping. The LDC would be supplied electricity by Silicon Valley Power (SVP) through a new distribution substation to be constructed on the project site as part of the LDC. The substation would be owned and operated by SVP.

The LBGF would provide uninterruptible power for the LDC tenant's servers in the event electricity cannot be supplied from SVP and delivered to the LDC building. LBGF would consist of forty-four 3-megawatt (MW) diesel-fired backup generators, and one 0.8 MW emergency generator for the administrative/office areas of the LDC. The maximum generating capacity of the LBGF would be limited to 99.8 MW by the maximum load for the LDC building. Project elements also include switchgear and distribution cabling to interconnect the generators to the LDC. The LBGF would not be electrically interconnected to SVP's electrical transmission grid.

In a project revision submitted by the applicant on June 21, 2021, the applicant confirmed that the generators for the data center suites would be Tier-4 standby diesel-fired generators [Cummins Model C3000 D6e] equipped with the Miratech system, which includes both a selective catalytic reduction (SCR) system and diesel particulate filters (DPF). The generator for the administrative/office areas of the LDC would be a Cummins Model DQGAF.

Probable Environmental Effects

The EIR will analyze the reasonably foreseeable direct, indirect, and cumulative effects of the proposed project in the topic areas specified in CEQA Appendix G, plus Environmental Justice.

CEC staff has produced environmental analysis documents for six data center SPPE applications since 2017. Five of those projects were ultimately granted SPPEs, and the sixth is an active proceeding.

Based on its analysis to date and prior experience evaluating other data centers in industrial settings, staff has identified that this project will have either no or less-than-significant impacts in the following environmental topic areas: aesthetics, agriculture and forestry resources, mineral resources, population and housing, public services, recreation, and wildfire. Topics that are likely to have no or less-than-significant impacts include energy, hazards and hazardous materials, hydrology and water quality, land use and planning, transportation, and utilities and service systems.

In prior evaluations, CEC staff has recommended mitigation measures (or, in some cases, modification of project design features originally suggested by the applicant) in the technical areas of air quality, biological resources, cultural and tribal cultural resources, geology and soils, greenhouse gas emissions, and noise. These technical areas, therefore, are given increased scrutiny and comments from other agencies on these topics are of particular interest

CEC staff is still conducting information gathering activities, including any information provided by other agencies in response to this notice that can inform the CEC's environmental review.

Air Quality (including Public Health)

The proposed project would be located in Santa Clara County in the San Francisco Bay Area Air Basin (SFBAAB), under the jurisdiction of the Bay Area Air Quality Management District (BAAQMD). The SFBAAB is in non-attainment for ozone and particulate matter (PM) ambient air quality standards. The backup diesel generators proposed for the project would result in diesel PM emissions and emissions of ozone precursors (nitrogen oxides [NO_x] and reactive organic gases [ROG]). The NO_x emissions of the project may result in significant air quality impacts under BAAQMD's CEQA significance threshold and require mitigation; however, CEC staff has not completed its analysis of the significance of the project's potential impacts and is yet to reach a definitive conclusion. The EIR will discuss whether the project would result in potential cumulatively considerable net increase of a criteria pollutant(s) for which the project region is non-attainment under an applicable federal or state ambient air quality standard. The EIR will also discuss whether the project would: conflict with or obstruct

implementation of the applicable air quality plan; expose sensitive receptors to substantial pollutant concentrations, including impacts from criteria pollutants and toxic air contaminants; or result in other emissions (such as those leading to odors) adversely affecting a substantial number of people. If project impacts related to air quality and public health are determined to be significant, mitigation will be identified to reduce impacts to a less than significant level, as feasible.

Biological Resources

The applicant identified 476 existing trees of which 375 are proposed to be removed that are protected under City of Santa Clara General Plan Policy 5.3.1-P10. Of the 26 species, 3 species are considered protected under City of Santa Clara General Plan Policy 5.10.1-P4. Removal of trees would conflict with local policies or ordinances for tree preservation and tree replacement without providing adequate replacement trees or protections for trees to remain on site. The EIR will discuss the project's potentially significant impacts due to the possible direct or indirect disturbance of existing trees during project construction. Construction activities, including removal of trees and vegetation clearing that take place between February and August have the potential to cause direct destruction of active nests of protected birds and raptors. The EIR will discuss the project's potentially significant impacts due to the possible direct or indirect disturbance of nesting bird habitat during project construction. These impacts could be reduced to less than significant levels with the incorporation of proposed mitigation. CEC staff is crafting a mitigation measure that would mitigate impacts to less than significant.

Cultural and Tribal Cultural Resources

No historical resources, unique archaeological resources, or tribal cultural resources have been identified in the project area. Staff's literature review reveals that numerous archaeological sites are located in the project vicinity, some of which previous investigators only found below the ground surface after project excavations started. The buried archaeological sites are in environments that have a history of soil formation similar to the project area. While staff did not identify any tribal cultural resources in consultation with California Native American tribes or through communication with the Native American Heritage Commission, tribal cultural resources could exist in similar contexts as buried prehistoric archaeological sites. Ground disturbance proposed as part of the project could encounter and damage buried resources that meet CEQA's criteria for historical, unique archaeological, or tribal cultural resources. The resulting impacts would likely be significant under CEQA. The applicant proposes two project design measures, PD-CUL-1 and PD-CUL-2 to reduce any such impacts to a less-than-significant level. PD-CUL-1 and PD-CUL-2 consist of archaeological

and Native American monitors observing ground disturbance during construction and provisions for stopping construction work in the event of a cultural resource discovery. CEC staff concurs with the adequacy of PD-CUL-1 and PD-CUL-2.

Geology and Soils

The project site is in the Santa Clara Valley, an area known to have scientifically significant but widespread or intermittent fossil discoveries. Surficial sediment at the project site is generally not considered sensitive for paleontological resources, because biological remains younger than 10,000 years are not usually considered fossils. However, Pleistocene age (2.6 million to 11,700 years before present) sediments may also be present at or near the surface. Although unlikely, paleontological resources could be encountered during construction requiring earth moving, such as grading, trenching for utilities, excavation for foundations, and installation of support structures where native soil would be disturbed. The EIR will discuss the project's potentially significant impacts due to the possible direct or indirect destruction of a unique paleontological resource if discovered during project construction. These impacts could be reduced to less than significant levels with the incorporation of proposed mitigation. CEC staff is crafting a mitigation measure that would mitigate impacts to less than significant.

Greenhouse Gas Emissions

The project would result in greenhouse gas (GHG) emissions from three categories of activities: direct emissions from construction, direct emissions from the testing and maintenance of the backup diesel generators, and indirect emissions from the data center's electricity use. CEC staff expects the temporary direct emissions from construction will be adequately addressed through the use of best management practices. To address the indirect emissions from the data center's electricity use, staff will be determining if mitigation is necessary and what options are available.

Transportation

The EIR will discuss the project's potentially significant impacts from vehicle miles traveled (VMT). The project-generated VMT per employee (15.89) is greater than the City of Santa Clara's threshold of 15 percent below the existing Countywide VMT per employee (14.14) for industrial uses. CEC staff is anticipating the applicant will work with the City of Santa Clara to prepare a transportation analysis report in accordance with the City's Transportation Analysis Policy, which will identify appropriate mitigation to reduce transportation impacts to less than significant.

Alternatives

The EIR will consider a reasonable range of potentially feasible alternatives to the project. In addition to a no project alternative, the EIR will likely consider fuel cell technology, battery storage, alternative fuels (renewable diesel and biodiesel), and natural gas internal combustion engines.

Responsible Agencies

Responsible agencies for this project are the Bay Area Air Quality Management District and the City of Santa Clara. The project will require the following approvals and permits if exempted:

- Bay Air Quality Management District – authority to construct and permit to operate
- City of Santa Clara – Special Use Permit and encroachment permit

Trustee Agencies

Trustee agencies for this project are the California Department of Fish and Wildlife and the Santa Clara Valley Habitat Agency.

Scoping Meeting(s)

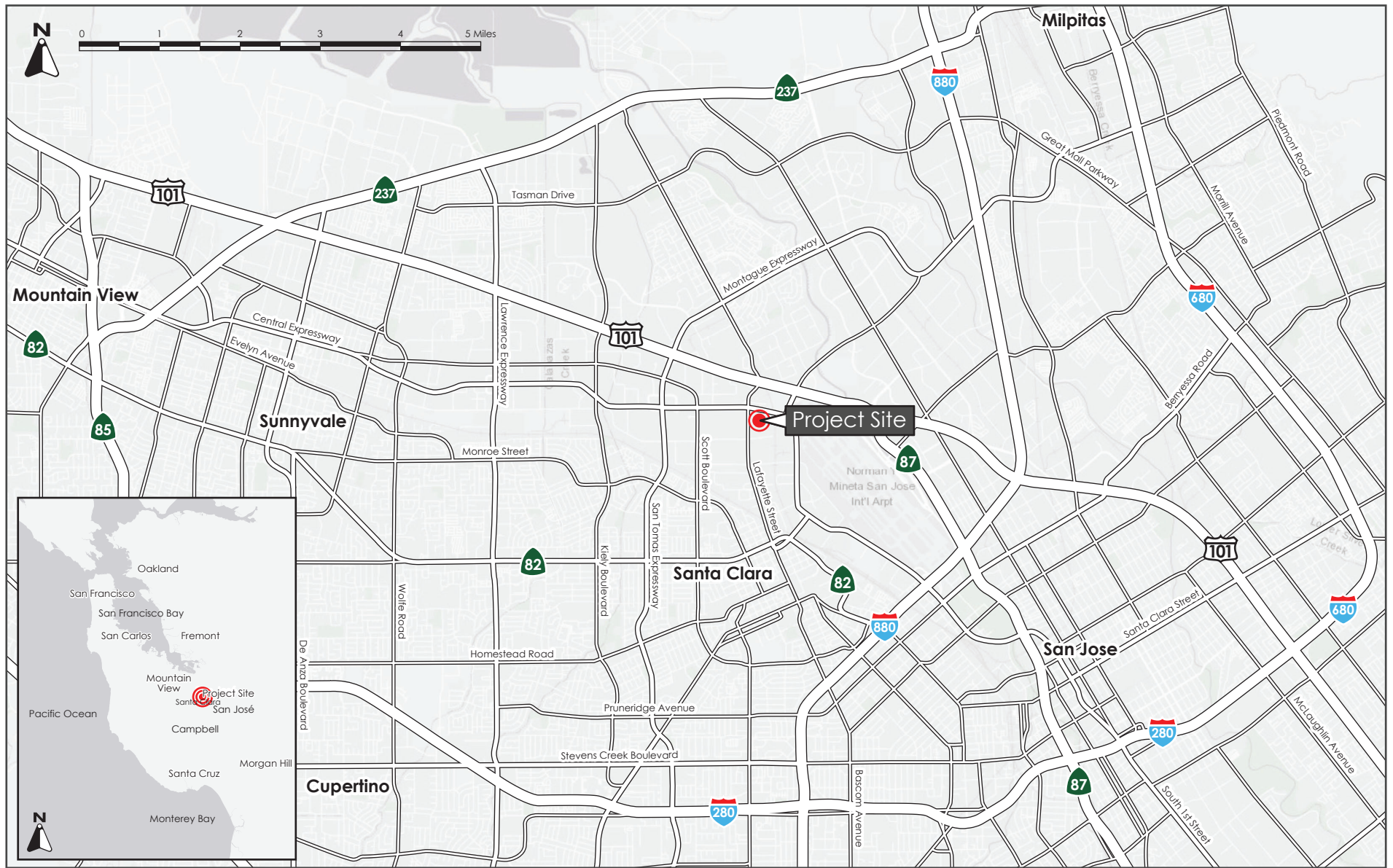
Staff has determined that the project is not a project of statewide, regional or areawide significance pursuant to section 15206, and thus does not intend to hold a scoping meeting. Please note, however, that pursuant to the provisions of section 15082(c), a responsible agency, a trustee agency, OPR, or a project applicant may request one or more meetings between representatives of the agencies involved to assist the lead agency in determining the scope and content of the environmental information that the responsible or trustee agency may require. Requests for such a meeting should be directed to CEC staff Project Manager Leonidas Payne at the email listed above.

Attachments (from the SPPE application):

Regional Map (Figure 1.2-1)

Aerial Photograph and Surrounding Land Uses (Figure 1.2-3)

Site Plan (Figure 2.3-1)



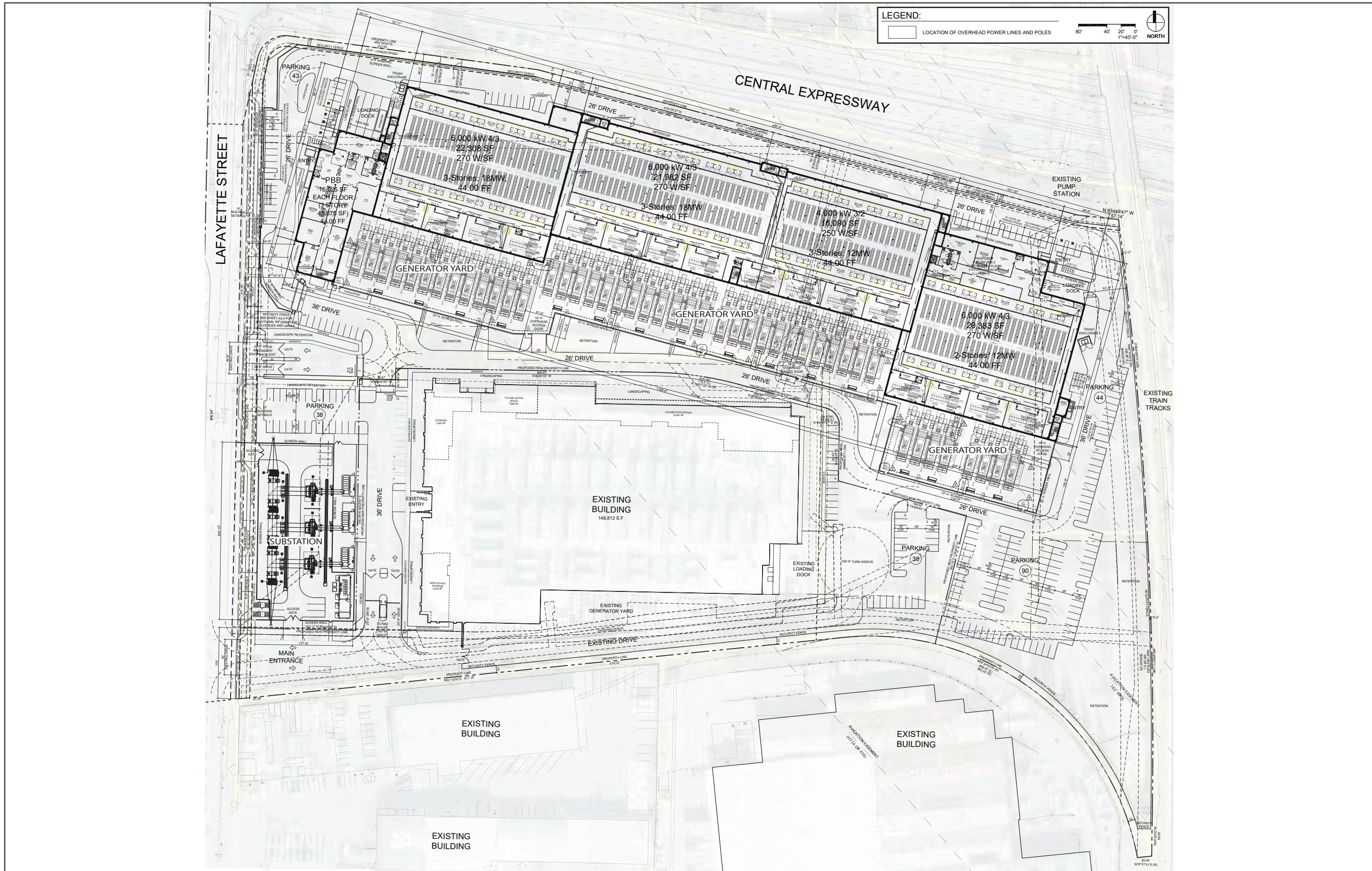
REGIONAL MAP

FIGURE 1.2-1



AERIAL PHOTOGRAPH AND SURROUNDING LAND USES

FIGURE 1.2-3



STIE PLAN

FIGURE 2.3-1