



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

August 27, 2020

Ela Kerachian
City of Santa Clara Planning Division
1500 Warburton Avenue
Santa Clara, CA 95050

RE: 2905 Stender Way, CoreSite SV9 Data Center – Mitigated Negative Declaration

Dear Ms. Kerachian,

Bay Area Air Quality Management District (Air District) staff has reviewed the Mitigated Negative Declaration (MND) for the proposed 2905 Stender Way, CoreSite SV9 Data Center (Project). The Project applicant proposes to demolish the existing single-story building and construct a four-story, approximately 250,000 square foot data center on a 3.8-acre site in the City of Santa Clara. Average power consumption would be 48 megawatts (MW), and 16 backup diesel generators would be installed to provide emergency power to the data center. The Project will require Air District approval of an Authority to Construct and Permit to Operate the backup diesel generators, and, as such, the Project will be required to comply with all applicable Air District regulations. Beyond Air District regulatory requirements, however, we encourage the City to require the project applicant to adopt the use of cleaner, non-diesel technologies. Additionally, we are providing the following comments as suggestions on how the City could enhance its CEQA analysis and minimize emissions from the Project and future proposed data centers.

Consistency with Long-Term State Climate Goals

The MND states that the Project’s greenhouse gas (GHG) emissions would not be significant because the Project “would not conflict with an applicable local plan, policy, or regulation adopted for the purpose of reducing the emissions of GHGs.” But the MND does not evaluate, disclose, nor discuss the Project's consistency with State policies requiring long-term reductions in emissions of GHGs, including the direction in Executive Orders B-55-18 and S-3-05 to respectively achieve carbon neutrality by 2045 and to achieve GHG emissions reductions equivalent to 80 percent below 1990 levels by 2050. See *Cleveland Nat'l Forest Foundation v. San Diego Ass'n of Governments* (2017) 3 Cal.5th 497, 516 (CEQA analysis should "compare the [project's] projected greenhouse gas emissions ... from 2020 through 2050 with the Executive Order's goal of reducing emissions to 80 percent below 1990 levels by 2050."). The MND does not evaluate how the Project’s use of diesel fuel would be consistent with carbon neutrality no later than 2045. Air District staff

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recommends that the City augment its greenhouse gas analysis to include an evaluation, disclosure, and discussion of whether the Project will be consistent with the State's policies. Regardless of whether upon further evaluation the City deems that deployment of 16 diesel backup generators is inconsistent with the State's carbon neutrality target, the Air District recommends that the City compel the project applicant to adopt alternative zero emitting technologies, procure renewable fuel, commit to otherwise mitigate GHG emissions, or a combination of the three.

Health Risk Assessment and Cumulative Toxic Air Contaminant Impacts

The Air District's CEQA Guidelines for assessing cumulative health risk impacts recommend that a lead agency evaluate all sources of toxic air contaminants (TACs) and fine particulate matter (PM_{2.5}) within 1,000 feet of a proposed project. This is to ensure that the cumulative health risk from the project, plus other nearby sources, will not exceed a carcinogenic risk of 100 additional cancers per million exposed population, a chronic hazard index of 10, or annual average PM_{2.5} concentration of 0.8 µg/m³. Although Appendix B of the MND includes a health risk assessment of the Project, it does not account for the cumulative health impacts associated with all nearby sources. As discussed in the MND, CoreSite's SV3, SV4, SV5, SV6, SV7, and SV8 data centers are located immediately west of the Project site. However, the cumulative HRA does not include these data centers, which consist of a total of 32 permitted diesel backup generators, nor other nearby sources. Staff recommends that the City revise the cumulative analysis and contact the Air District to obtain updated data.

Recommendations for Achieving Additional Emissions Reductions

To the extent that further analysis concludes the Project's emissions would be cumulatively considerable or inconsistent with the State's climate goals and the City's current Climate Action Plan, the Project may need to incorporate mitigation measures to reduce emissions. Even if the revised analysis does not conclude the Project's emissions will be cumulatively considerable, the Air District encourages the City to compel the applicant to incorporate additional emission reduction measures as a condition of approval of the Project. These recommended measures will help ensure that the Project's emissions impacts are reduced to the maximum extent possible to achieve the most health protective air quality for Bay Area residents and to achieve climate change goals established by the State and the Air District.

The MND identifies the predominant source of the Project's GHG emissions as electricity use (34,521.4 MTCO_{2e} per year), which would be provided by the city-operated, publicly-owned utility, Silicon Valley Power (SVP). Although SVP has a higher power mix of renewable energy sources than the Statewide power mix, the Project could significantly reduce GHG emissions by purchasing all its electricity from renewable sources. Specifically, Air District staff recommend that the Project join SVP's Santa Clara Green Power program and thus commit to purchase 100

percent renewable energy, or otherwise negotiate an electricity contract with SVP for 100 percent renewable energy.

According to the MND, the Project would include 16 Tier 2 diesel backup generators, designed to provide 24 hours of emergency generation at full demand. To meet State and regional climate goals, the Air District encourages projects go above and beyond permitting requirements. In September 2018, the Air District launched the *Diesel Free by '33* initiative to eliminate diesel emissions from Bay Area communities. Mayor Lisa Gillmor of the City of Santa Clara signed *Diesel Free by '33* to pledge the City's commitment to cut diesel use to zero by the end of 2033. To this end, the Air District recommends that the City compel the Project applicant to use the cleanest available technologies such as solar battery power, fuel cells, or Tier 4 generators.

Lastly, Air District staff strongly recommends that the City work with SVP, the Air District, State agencies, and the Project proponents for this and similar proposed data center projects to explore alternative options to reduce GHG emissions. For example, the Air District awarded a Climate Protection Grant of \$300,000 to SVP to conduct a pilot project to demonstrate the viability of replacing data center backup diesel generators with electric energy storage systems, and CEC has previously provided Electric Program Investment Charge (EPIC) awards for data center microgrids. We also encourage proponents of the Project and future data centers to seek available grant funding for zero-emitting alternatives to diesel backup generators.

Air District staff is available to assist the City in addressing these comments. If you have any questions or would like to discuss Air District recommendations further, please contact Josephine Fong, Environmental Planner, at (415) 749-8637 or jfong@baaqmd.gov, or Jakob Zielkiewicz, Advanced Projects Advisor, at (415) 749-8429 or jzielkiewicz@baaqmd.gov.

Sincerely,



Greg Nudd
Deputy Air Pollution Control Officer

cc: BAAQMD Director Margaret Abe-Koga
BAAQMD Vice Chair Cindy Chavez
BAAQMD Director Liz Kniss
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