



March 4, 2020

**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

Kenneth Rosales
City of San Jose
Department of Planning, Building, and Code Enforcement
Environmental Review Section
200 East Santa Clara Street, Third Floor
San Jose, CA 95113

RE: STACK Infrastructure Expansion – Mitigated Negative Declaration

Dear Mr. Rosales,

Bay Area Air Quality Management District (Air District) staff has reviewed the Mitigated Negative Declaration (MND) for the proposed STACK Infrastructure Expansion (Project). The Project would construct a three-story data center building consisting of 239,724 gross square feet and 20 Tier 2 diesel back-up generators in the City of San Jose. Four generators would remain inactive during power outage events and would serve as back-up. Thus, the maximum number of generators in operation at the Project would be 16, producing a maximum of 48 MW of electric power. We are providing these comments as suggestions on how the City could enhance its CEQA analysis, minimize emissions from the Project, and promote the use of cleaner technologies.

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 plan, policy, and 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.”). To address the Project’s long-term impacts on GHG emissions, Air District staff recommends that the City augment its greenhouse gas discussion to include an evaluation, disclosure, and discussion of whether the project will be consistent with these State policies.

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Recommendations to Commit to Mitigation Measures and to Achieve Additional Emissions Reductions

The GHG emissions analysis in the MND estimates that the Project would generate 678 MTCO₂e during construction, 9,489 MTCO₂e per year for 50 hours of operation of the back-up generators, and 36,323 MTCO₂e per year from operation of the data center. The MND concludes that the Project's GHG emissions would exceed the City adjusted GHG threshold of significance for the Project (660 MTCO₂e per year), but that the Project would implement Mitigation Measure GHG-1 (GHG-1) to reduce impacts to less than significant. GHG-1 calls for the project applicant to develop and submit a GHG emissions reduction plan prior to issuance of grading permits. As proposed, the GHG emissions reduction plan may include elements such as solar power, off-site carbon sequestration, and/or purchase of carbon credits. However, these elements are not commitments and it is unclear how "impacts would be less than significant" with implementation of GHG-1. The Air District recommends that the project applicant strengthen the requirements for GHG-1. Specifically, the Air District recommends that all requirements for and elements of the air quality construction management plan and GHG emissions reduction plan be made commitments or explain why they are not currently feasible.

To the extent that the revision of and commitment to GHG-1 does not result in a reduction of Project impacts to less than significant, the Project may need to incorporate additional mitigation measures to reduce its emissions. The Air District provides the following recommendations for potential mitigation measures. Furthermore, even if the commitment to GHG-1 results in the conclusion that the Project's emissions will be less than significant, the Air District encourages the City to incorporate additional emission reduction measures into its approval of the Project. These recommended measures will help ensure that the Project's emissions impacts are reduced to the maximum extent possible, regardless of whether they are legally required to mitigate a significant impact.

The predominant source of the Project's GHG emissions is electricity use, which would be provided by the San Jose Clean Energy (SJCE), a community choice aggregate program. Although SJCE has a goal of converting its energy sources entirely to clean, renewable sources by 2022, the Project should commit to significantly reducing GHG emissions by purchasing all its electricity from carbon-free sources. Specifically, Air District staff recommend that the Project join SJCE's TotalGreen program and thus commit to purchase 100 percent carbon-free energy, or otherwise negotiate an electricity contract with SJCE for 100 percent carbon-free energy.

To reduce the Project's NOx emissions, Mitigation Measure AQ-1 would limit the operation of generators for testing and maintenance to 24 hours per generator per year. In the event of a power outage, it is possible that 16 diesel back-up generators would run concurrently, and therefore the Air District encourages the Project to go above and beyond permitting requirements. In September 2018, the Air District launched Diesel Free by '33 to eliminate diesel emissions from our communities. Mayor Sam Liccardo and Vice Mayor Magdalena Carrasco of the City of San Jose 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 project applicant 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 SJCE, the Air District, and the project proponent to explore alternative options to reducing GHG emissions. For example, the Air District previously awarded a Climate Protection Grant to conduct a pilot project to demonstrate the viability of replacing data center back-up 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 to seek available grant funding for zero-emitting alternatives to diesel back-up 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 Jakub 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
BAAQMD Chair Rod G. Sinks