

California Environmental Quality Act (CEQA)

NOTICE OF DETERMINATION

TO: Santa Clara County
Clerk-Recorder's Office
110 West Tasman Drive, First Floor
San Jose, CA 95134

FROM: Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105

SUBJECT: FILING OF NOTICE OF DETERMINATION PURSUANT TO PUBLIC RESOURCES CODE SECTION 21152(a) AND CEQA GUIDELINES SECTION 15094.

PROJECT TITLE: San Jose Data Center, (State Clearinghouse ID #2021020002) - Issuance of Authority to Construct for two Fire Pumps and one Emergency Backup Diesel Generator, Sources S-2 through S-4. (Air District Application 696408).

Public Agency Approving Project (Lead Agency): California Energy Commission (CEC), Lisa Worrall, Senior Environmental Planner, 715 P Street, Sacramento, CA 95814. Telephone: (916) 661-8367; Email: Lisa.worrall@energy.ca.gov

Public Agency (Responsible Agency) Approving Project (Issuance of Authority to Construct): Bay Area Air Quality Management District (Air District), 375 Beale St, Suite 600, San Francisco, CA 94105. Contact Person: Sadegh Sadeghipour, Air Quality Engineer, Telephone: (415) 749-4672; Email: ssadeghipour@baaqmd.gov

Project Applicant and Entity Carrying Out Project: Microsoft Corporation.

Project Applicant Mailing Address: 1657 Alviso Milpitas Rd, San Jose, CA 95134-5134.

Project Applicant Contact Person: Navin Sathi, General Manager – DC Operations, Microsoft Corporation, Studio C, 3640 150th Ave NE, Redmond, WA 98052. Telephone: (425) 394-3322; Email: navin.sathi@microsoft.com

Project Location: 1657 Alviso-Milpitas Road, San Jose, Santa Clara County, CA 95134.
Nearest Cross Street: McCarthy Blvd.

Date of Approval by Lead Agency: The project was initially approved by the CEC on July 13, 2022; on February 2025, the City of San Jose approved the modified project as reflected in the Addendum to the FEIR for the Microsoft Data Center Facility.

Date of Approval at Issue by Responsible Agency: 05/11/2026.

Project Description:

The Air District has issued an Authority to Construct to Microsoft for two diesel fire pumps (S-2 and S-3) and one emergency backup diesel generator (S-4) at the San Jose Data Center. The backup generator will be equipped with a catalyzed diesel particulate filter (DPF) and a selective catalytic reduction (SCR) system to reduce particulate matter and NOx emissions. The Data Center would consist of two single-story buildings. The northern building is approximately 244,676 square feet in size, and the southern building is approximately

152,283 square feet, for a total of approximately 396,914 square feet. The maximum total data center electricity demand at full load would not exceed 99 MW.

A total of 224 natural gas generators are proposed to provide backup power for the two data center buildings' servers. Two diesel-fired generators are also proposed to provide emergency power for life safety systems of the buildings. In addition, two diesel fire pumps will be used for fire suppression and located next to a water storage tank at the northwestern area of the Data Center site. The Air District has already issued Authority to Construct for 140 natural gas backup generators and one diesel-fired backup generators at the San Jose Data Center. This Authority to Construct authorizes Microsoft to install one emergency backup diesel-fired generator and two diesel fire pumps. The facility is permitted to operate these backup engines for emergency purposes, plus up to 42 hours per year for the generator and 26 hours per year for each fire pump for testing, maintenance and reliability purposes. They will not be used for routine data center operations.

Notice of Determination:

California Energy Commission (CEC) was the lead agency for the Microsoft Data Center Facility project which included 224 natural gas backup generators and two emergency backup diesel-fueled generators. It adopted a Final Environmental Impact Report (FEIR) for the project on July 13, 2022, finding that, with the implementation of the project design measures and proposed mitigation measures, potentially significant impacts would be avoided or reduced to less than significant levels. The proposed mitigation measures concerning air quality are implementing the Air District's recommended best management practices and utilizing the cleanest available diesel construction equipment during the construction phase. The lead agency designation was pursuant to the CEC's authorizing statute relating to its exclusive permitting jurisdiction over thermal power plants. Microsoft subsequently applied for, and the CEC granted a Small Power Plant Exemption to the Data Center on July 13, 2022.

Since the 2022 FEIR was certified, the City of San Jose, as the Responsible Agency and local land use agency, requested modifications to the supporting roadway improvements and utility infrastructure included in the 2022 Project. The project applicant also proposed modifications to substation design and soil remediation activities, addition of three bio-retention basins, addition of a water storage tank along with two fire pumps, substitutions of the 1.25-MW diesel-fired backup generator with a 1.5-MW diesel-fired generator, and other minor changes. Given the location of the proposed modifications from the city and project applicant, certain changes to the Santa Clara Valley Water (Valley Water) Purification Center parking lot facilities and relocation of the current small modular visitor center would also be triggered.

All the proposed changes to the project as the Modified Project were evaluated in an Addendum, initiated in 2024. On April 9, 2025, the City of San Jose adopted the Addendum to the 2022 FEIR for the Modified Project. The Addendum determined that no substantive revisions are needed to the 2022 FEIR because no new significant impacts or impacts of substantially greater severity would result from the Modified Project.

The Air District is a CEQA-responsible agency for the project. It issued its Authority to Construct on 05/11/2026. The record of the Air District's approval is available for review at the Air District's address shown above.

The Air District has independently reviewed and considered the CEC's FEIR and City of San Jose's Addendum to the FEIR in connection with its decision to issue the Authority to Construct referenced above. Based on that review, the Air District finds that the proposed revisions to the project do not result in any new significant impacts or any increase in the severity of previously identified significant impacts anticipated by the 2022 FEIR. Construction emissions from the Modified Project will continue to be mitigated to less than significant levels. The Modified Project only proposes a 0.6 percent megawatt increase. This minor change is too small to cause any of the other operational criteria pollutant emissions for the project to exceed the Air Districts

thresholds of significance; similarly, it is too small to cause the project to exceed thresholds of significance for health risk impacts (cancer risk, chronic or acute hazard risks, and PM2.5 concentrations). There will be no change to odor impacts.


The Air District additionally finds that there is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence, at the time the FEIR was adopted, that shows that:

- a. The project will have one or more significant effects not discussed in the previous EIR or negative declaration,
- b. Significant effects previously examined will be substantially more severe than shown in the previous EIR,
- c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative, or
- d. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

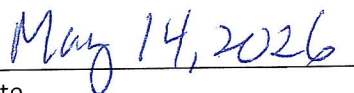
Accordingly, the Air District finds no subsequent or supplemental EIR is required for the Modified Project pursuant to CEQA section 21166 or CEQA Guidelines section 15162.

CEC's FEIR and associated documents are available for public review at:
<https://www.energy.ca.gov/powerplant/backup-generating-system/san-jose-data-center>

City of San Jose's Addendum to the FEIR and associated documents are available for public review in the Department of Planning, Building and Code Enforcement (PBCE) at San José City Hall, 200 East Santa Clara Street, 3rd Floor, during normal business hours or at:
<https://www.sanjoseca.gov/your-government/departments-offices/planning-building-code-enforcement/planning-division/environmental-review/environmental-review-documents/cp23-016-er20-219-san-jose-data-center>



Pamela J. Leong
Director of Engineering
Bay Area Air Quality Management District



Date