Notice of Preparation of a Draft Environmental Impact Report for the NorthTown Backup Generating Facility (25-SPPE-02)

Date: July 21, 2026

To: Reviewing Agencies and other Interested Parties

From: California Energy Commission (CEC)

Project Title: NorthTown Backup Generating Facility (NTBGF)

Project Applicant: GIC San Jose LLC

Docket Log: 25-SPPE-02

NOP Review Period: July 21, 2026, to August 20, 2026

In accordance with California Code of Regulations, title 14, section 15082, the California Energy Commission (CEC) staff has prepared a Notice of Preparation (NOP) to inform the Governor's Office of Land use and Climate Innovation (LCI) and each responsible and trustee agency that an Environmental Impact Report (EIR) will be prepared for the NorthTown Backup Generating Facility (NTBGF) proposed by GIC San Jose LLC (applicant) in the city of San José, California.

The NTBGF is planned as part of the NorthTown Park Data Center (NTDC), and together constitute the "project" under the California Environmental Quality Act (CEQA). The project would consist of a total of forty-two (42) diesel generators and two data center buildings designated as DC North and DC West. The diesel generators would be used exclusively to provide up to 97.3 megawatts (MW) of backup emergency generation to support the NTDC, with uninterrupted power during a utility outage.

Small Power Plant Exemption Process

The CEC has exclusive authority to certify all thermal power plants 50 megawatts (MW) and greater including related facilities proposed for construction in California. The Small Power Plant Exemption (SPPE) process allows applicants that are proposing to construct thermal power plants between 50 MW and 100

MW to obtain an exemption from the CEC's jurisdiction and proceed with local permitting rather than requiring CEC certification. Per Public Resources Code, section 25541, the CEC can grant an exemption not exceeding 100 MW if it finds that the proposed facility would not create a substantial adverse impact on the environment or energy resources. Public Resources Section 25541 (c) designates the CEC as the CEQA lead agency for all facilities seeking an exemption through the SPPE process. The CEC will not approve the construction of the project, only determining whether the project can be exempted from the CEC's jurisdiction.

The CEC staff has begun its review of the application and will prepare an EIR for public review. At the conclusion of the evaluation and the opportunity for public review and comment regarding the project, a decision will be made by the CEC at a noticed public business meeting on whether the application meets the requirements of Public Resources Code, section 25541. Should the exemption be granted, the applicant would still need to secure the appropriate entitlements and permits from the relevant local, regional, state, and federal agencies to construct and operate the proposed project. The CEC's regulations setting forth the SPPE process are primarily located in Title 20, California Code of Regulations, sections 1936 and 1940-1942.

Response to the Notice of Preparation

Pursuant to the CEQA Guidelines (Cal. Code Regs, tit. 14, § 15082(b)), each responsible and trustee agency and LCI shall provide detail about the scope and content of the environmental information related to the responsible and 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 LCI will need to have explored in all draft EIR; and,
- Whether the agency will be a responsible agency or trustee agency for the project.

Due to the time limits mandated by State law, responses must be sent at the earliest possible date but not later than 30 days after receipt of this notice. CEC staff requests your comments by **Thursday, August 20, 2026**. Based on comments received by public agencies on the scope and content of the EIR, CEC staff may request additional information from the applicant to address such comments. If a responsible or trustee agency or LCI does not respond by the end of the 30-day period to provide the CEC with either a response to the NOP

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

Project Webpage, Subscription and Document Availability

The CEC maintains a website for this project https://www.energy.ca.gov/powerplant/backup-generating-system/northtown-backup-generating-facility. The SPPE application and related project documents are viewable by clicking on the 'Docket Log (25-SPPE-02) found on top right yellow box of the project webpage https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=25-SPPE-02.

To submit comments electronically, use the CEC's electronic commenting feature on the NTBGF webpage (linked above), click on the 'Submit eComment' link found in yellow box on right-side, and follow the instructions in the online form. In your comments, be sure to include the project name. Once filed, a comments receipt email with a link to the comments will be sent and your comments will be part of the proceeding's public record.

Interested agencies or members of the public may also subscribe via the project webpage to receive electronic notices of all the project-related activities and documents related to the CEC's exemption evaluation, click on the 'Subscribe NorthTown Backup Generating Facility' found in the lower right yellow box of the project webpage (linked above).

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

Project Location and Description

The project site is located at the southwest corner of the intersection of West Trimble Road and Orchard Parkway in San José, California. The data center buildings, emergency backup generating facilities, project substation, water storage and treatment area, the Pacific Gas and Electric Company (PG&E) switching station, site circulation, and parking would be located on Assessor Parcel Numbers (APNs) 101-02-018 and 101-02-021. The entire project site is approximately 28.5 acres.

The project site is bound to the north by West Trimble Road, to the south by an undeveloped property planned for future development as an unrelated data

center facility, to the east by Orchard Parkway, and to the west by the Guadalupe Trail and Guadalupe River. As the project is primarily a redevelopment of an existing, operating industrial site, the portions of the existing industrial facilities to remain are not included in the definition of the project site. Given this, the project site is irregularly shaped and only includes the general development areas for DC North and DC West and their associated functions, the project substation, the PG&E switching station and limited modifications to existing site circulation and parking affected by the project site's redevelopment.

The proposed project site has two General Plan land use designations of Combined Industrial/Commercial (CIC) and Industrial Park (IP). The project site is in two zoning districts, the CIC zoning district and IP Planned Development (PD) zoning district. DC North would be within the IP PD zoning district while DC West, the project substation, and the PG&E switching station would be within the CIC zoning district. Much of the project site is currently developed with circulation and landscaped areas that surround an existing industrial facility. A portion of the project site associated with DC North was cleared and graded in 2022 in preparation for a previous advanced manufacturing project that did not move forward.

The project's backup generating facility would include Tier 4 compliant diesel generators to provide up to 97.3 MW to the data center in the event of a loss of electric service from PG&E. Specifically proposed are forty (40) 3-MW primary emergency generators and two (2) 1.75-MW administrative emergency generators. The sole purpose of the backup generating facilities is to provide electrical power to support the data center campus operations in the event of loss of electrical service from the local electric utility provider, PG&E.

The project would include two alternative options for construction and operation of a PG&E transmission line and switching station to serve the data center. The project would also require work within the existing public right-of-way, including off-site utility installations and possible intersection improvements needed to support the project. The project would also modify both the southwest and southeast corners of the Trimble Road and Orchard Parkway intersection, removing the existing pedestrian refuge (pork-chop) islands at the southwest and southeast corners. This removal would require a modification of the existing traffic signal to relocate the existing poles from the pedestrian refuge islands.

A regional map and project vicinity map figure from the application are attached to this notice.

Probable Environmental Effects

The CEC's EIR will analyze the reasonably foreseeable direct, indirect, and cumulative effects of the proposed project in the topic areas specified in Appendix G of the CEQA Guidelines.

Based on a preliminary review of the application and other filed information, CEC staff anticipates that the following topic areas will be analyzed further in the EIR:

Air Quality

The proposed project would be in the San Franciso Bay Area Air Basin (SFBAAB) under the jurisdiction of the Bay Area Air District (BAAD). The SFBAAB is designated as non-attainment for ozone and particular matter (PM) federal and state ambient air quality standards. The diesel-powered backup generators proposed for the project could result in potentially significant impacts due to emissions of ozone precursors (oxides of nitrogen [NOx] and reactive organic gases) and diesel particulate matter (DPM), a toxic air contaminant. Ozone precursor emissions would be offset through the permitting process with BAAD. 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 EIR will evaluate the potential impacts to biological resources associated with project construction and operation. Biological resources that may be affected include special-status plant and wildlife species, river and riparian habitat, wildlife movement corridors, mature trees, and other sensitive biological communities. The analysis will consider potential direct, indirect, and cumulative impacts to these resources, including habitat loss or modification, disturbance from construction and operational activities, introduction or spread of invasive species, stormwater runoff and hazardous materials affecting sensitive biological communities, and nitrogen deposition resulting from project emissions that could

affect sensitive habitats.

The project is located within the Santa Clara Valley Habitat Plan (SCVHP) permit area and is expected to be subject to applicable SCVHP requirements. The EIR will evaluate potential impacts to species and habitats covered under the SCVHP, as well as special-status species not covered under the Habitat Plan. Species that may be addressed in the EIR include Congdon's tarplant (*Centromadia parryi* ssp. *congdonii*), Crotch's bumble bee (*Bombus crotchii*), northwestern pond turtle (*Actinemys marmorata*), western burrowing owl (*Athene cunicularia*), and white-tailed kite (*Elanus leucurus*), among others.

The EIR will also evaluate potential impacts to the Guadalupe River and associated riparian habitats as well as fish and wildlife species that may occur within these areas. The analysis will consider potential impacts related to construction disturbance, lighting, noise, stormwater runoff, water quality, and wildlife movement. Potential impacts to ordinance-sized native and non-native trees will also be evaluated, including consistency with applicable local tree protection requirements.

The applicant has identified preliminary measures intended to avoid or minimize impacts, including, but not limited to, conducting preconstruction surveys for special-status plants and wildlife, establishment of species protection buffers, requiring worker environmental awareness training for all project personnel, conducting biological monitoring, adherence to applicable conditions in the SCVHP to protect sensitive resources, and payment of applicable SCVHP fees for impacts to burrowing owls and impacts from nitrogen deposition on sensitive habitats. Staff will evaluate the adequacy and effectiveness of these measures and may identify additional measures through independent review and coordination with the Santa Clara Valley Habitat Agency, California Department of Fish and Wildlife, United States Fish and Wildlife Service, and National Marine Fisheries Service.

<u>Cultural and Tribal Cultural Resources</u>
Based on preliminary information, the proposed project might impact cultural or tribal cultural resources. The literature review prepared by the applicant indicates that there is a moderate to high sensitivity for deeply buried pre-contact archaeological resources and that the project could affect unknown pre-contact cultural resources or human remains (TN264500, page 151). Based on a review of information provided in the literature review, CEC staff has requested additional data to assess the potential impacts on cultural and tribal cultural resources.

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 has proposed various mitigation measures to reduce the severity of any such impacts. At this time, there is not enough information to conclude whether the project would result in significant impacts to cultural or tribal cultural resources and whether they could be mitigated to a less-than-significant level.

Geology and Soils (Paleontology)

CEC staff will evaluate potential impacts related to geology and soils, including paleontological resources. CEC staff is evaluating the project application, a 2019 geotechnical investigation that was conducted for a prior project at the proposed site, and a 2023 preliminary site-specific geotechnical investigation that was conducted on behalf of the applicant for the proposed project. CEC staff is evaluating regional geologic mapping and evaluations of geologic hazards, including hazard mapping, performed by the California Geological Survey and United States Geological Survey. CEC staff are evaluating online paleontological databases.

Based on the information reviewed thus far, CEC staff anticipates potential impacts related to surface fault rupture, strong seismic ground shaking, seismic-induced ground failure, soil erosion, unstable geologic units or soils, and paleontological resources that would require mitigation. The applicant proposed project design measures to mitigate these potential impacts to less than significant. At this time, CEC staff anticipates that mitigation would reduce potential impacts related to geology and soils to less than significant. Potential impacts related to geology and soils will be analyzed further in the EIR.

Greenhouse Gas Emissions

The project could result in potentially significant 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 emissions from the data center's miscellaneous operations, both direct and indirect. CEC staff expects that the potentially significant temporary direct emissions from construction could be mitigated through the use of best management practices and that the potentially significant direct emissions from testing and maintenance would be below relevant significance thresholds through the use of renewable diesel, as feasible. Additionally, the potentially significant indirect GHG emissions associated with the data center's electricity

use would be reduced with the project's participation in the San José Clean Energy (SJCE) at the Total Green level (i.e., 100 free carbon-free electricity) or similar program that accomplishes the same goals as 100 percent carbon-free electricity.

Hazards and Hazardous Materials

The project site is in an urban environment consisting of a mix of industrial, commercial, warehousing, and business park properties. The project site is located within two miles of the San José Mineta International Airport and is located within the Airport Influence Area where it may be affected by noise, height limits, and aviation safety considerations. There are no schools within one-quarter mile of the project site.

Several environmental site assessments (ESA) and surveys have been performed at the project site since the late 1980s. Based on the Phase I ESA conducted for the project site in September 2024 (included in Appendix J of the project application), the site has a history of agricultural use until about 1974 and commercial/industrial uses beginning in 1978 to the present. The Phase I ESA identified several potential environmental conditions related to the site's former agricultural use and the history of hazardous materials use and spills at adjacent industrial sites. The Phase II ESA conducted in 2014 indicated that some heavy metals (arsenic) were detected above regulatory screening levels but below levels for groundwater not used as a drinking water source.

The project would use hazardous materials during project construction and operation. Project construction activities could result in spills or leaks of hazardous materials, such as fuels for construction equipment and vehicles, and small amounts of lubricants and solvents. Construction workers could encounter unknown contaminated soil or groundwater. During operation, a large quantity of diesel fuel, totaling approximately 234,000 gallons, would be stored in integrated fuel storage tanks within each generator enclosure. Urea or diesel exhaust fluid, used as part of the diesel engine combustion process, and totaling approximately 4,200 gallons, would be stored in 100-gallon tanks within each generator enclosure. Spills or leaks of diesel fuel or diesel exhaust fluid could occur during refueling or due to damage to the tanks.

The project construction or operation could result in potentially significant environmental impacts due to encountering contaminated soil or groundwater during construction, spills from diesel fuel or diesel exhaust fluid during operation, or aviation safety or noise hazards. Staff will review the applicant proposed project design measures (PDM HAZ-1.1 and PDM HAZ-1.2) to

determine whether they are sufficient to reduce potentially significant impacts to less than significant and, if necessary, propose additional mitigation measures.

Land Use

Analysis will discuss whether the project would divide an established community, or whether the project would cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect. Specifically, analysis of the project will focus on the project's consistency with the policies and regulations of the City of San José's General Plan and Zoning Code, including allowed land uses, maximum height, and minimum setbacks. The project is within approximately 1,700 feet of the San José Mineta International Airport, so the analysis will also discuss the project's height relative to Federal Aviation Administration (FAA) regulations and local Airport Land Use Compatibility Plan policies. At this time, no potentially significant land use impacts have been identified.

Noise

The noise levels associated with construction could be potentially significant but could be mitigated via the implementation of a construction noise plan. The temporary intermittent noise impacts associated with the yearly testing of the gensets, as well as the likelihood for increased noise levels resulting from project operation could be potentially significant. The nearest residential area is located approximately 3,200 feet northwest of the project site and is not anticipated to be significantly impacted by project noise levels. If potentially significant impacts on sensitive receptors are identified, CEC staff would draft mitigation, including noise attenuation and other measures to reduce impacts to less than significant.

Transportation

The EIR will discuss the project's potentially significant impacts from vehicle-miles-traveled (VMT). The project generated VMT per employee (17.88) is greater than the city of San José's threshold of 16.53 VMT per employee for industrial uses. The potentially significant VMT impacts may be reduced with compliance and application of existing regulatory requirements and applicant proposed mitigation measure. Mitigation measures proposed by the applicant include implementing educational campaigns for all employees to encourage the use of transit, carpooling, and active transportation modes and providing ride-sharing program for future employees. The project could have a potentially significant impact from permanent project structures and thermal plumes generated by the project's roof-top chillers and emergency generators affecting

nearby aviation operations at the San José Mineta International Airport. The project site is located within the airport's "Airport Influence Area" and is in an area with Federal Aviation Regulations, Part 77 maximum structure height of 212 feet above mean sea level. The applicant is preparing a thermal plume analysis and will provide staff with the report when it has been completed. Lastly, the project applicant must prepare and submit FAA, Form 7460-1 for project structures exceeding the 100:1 imaginary surface of approximately 17 feet. The FAA will conduct an aeronautical study and issue a Determination of No Hazard, Determination of No Hazard with Conditions, or a Determination of Hazard. Staff's analysis of the project's permanent structures and thermal plume impacts will heavily rely on this forthcoming information. CEC staff will evaluate possible mitigation options if the project has a significant impact to aviation from permanent structures and thermal plumes.

Wildfire

The project site is within the City of San José in Santa Clara County in an urban environment, not in the vicinity of wildlands. The City of San José is not located in or near a State Responsibility Area but is located within an un-zoned Local Responsibility Area as designated by the California Department of Forestry and Fire Protection. The project is not near a moderate, high, or very high Fire Hazard Severity Zone, or land classified as having a fire threat by the California Public Utilities Commission.

Staff will assess the potential impacts related to wildfire risk and, if necessary, propose mitigation measures to reduce the risk, such as engineering and administrative controls, enhanced emergency response, and vegetation management. Based on its analysis to date, staff identified that the project would likely have no impact related to wildfire.

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, and natural gas internal combustion engines.

Environmental Justice

CEC staff has determined the presence of an environmental justice population within the vicinity of the project site using currently available 2020 Census and California Department of Education data. Staff will analyze whether the project would result in any disproportionate impacts to the environmental justice population.

Responsible Agencies
CEC staff has identified the Bay Area Air Quality Management District and the City of San José as responsible agencies for this project. The project will require the following approvals and permits if exempted:

- Bay Area Air Quality Management District – authority to construct and permit to operate.
- City of San José – Project Clearance Committee review and approval, and Master Plan approval.

Trustee Agencies
CEC staff has identified the California Department of Fish and Wildlife as a trustee agency for this project.

Attachments (from SPPE main application TN: 264500):
Regional Map (Figure 2-1)
Project Vicinity Map (Figure 2-2).

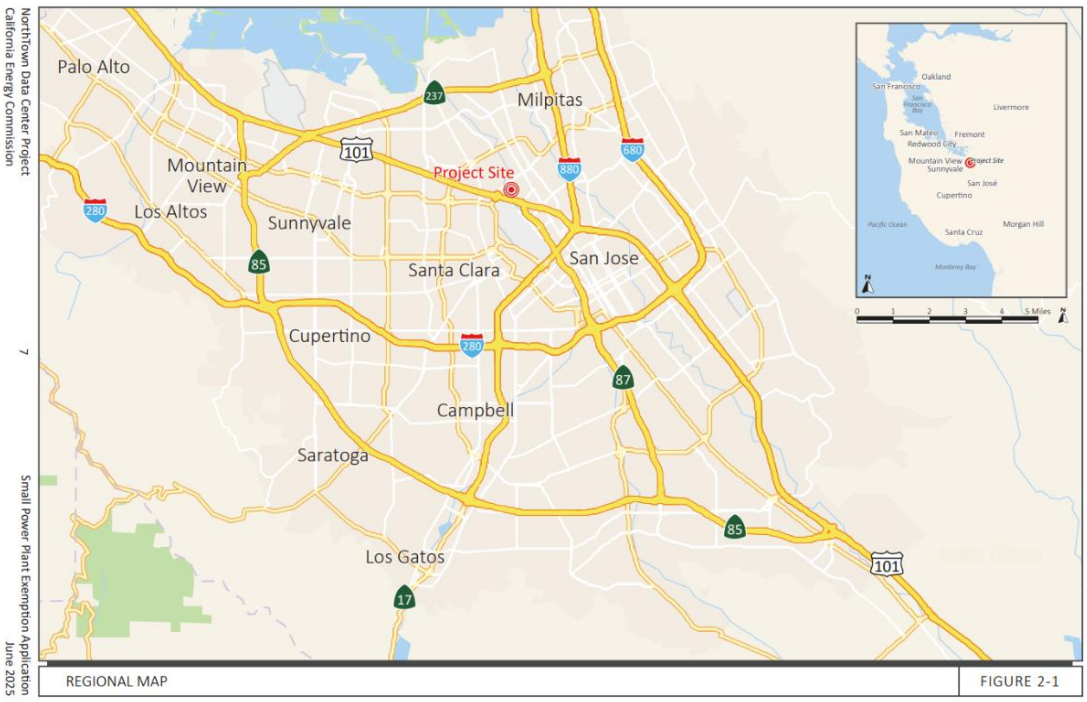

Figure 2-1 Regional Location Map

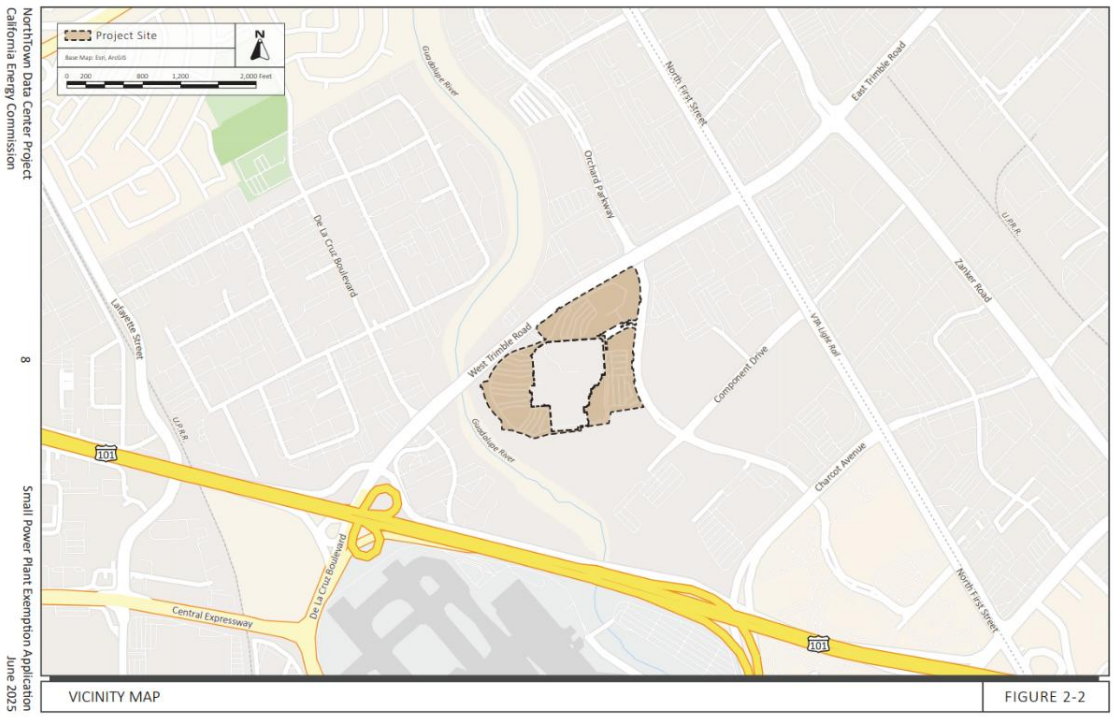

Figure 2-2 Project Vicinity Map