

Ministry of Energy and Mines

77 Grenville Street, 7th Floor
Toronto, Ontario
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September 11, 2026

Re: Economic and Strategic Assessment Framework for New Data Centres - [ERO 026-0853](#)

The Atmospheric Fund (TAF) is a regional climate agency serving the Greater Toronto and Hamilton Area (GTHA). We work closely with public and private partners to advance practical urban climate solutions that support affordability, equity, and resilience. TAF appreciates the opportunity to comment on the province's proposed data centre assessment framework.

TAF recognizes data centres as increasingly important infrastructure for Ontario's digital economy. The growth of energy-intensive digital infrastructure must be managed in a way that supports responsible economic development, delivers meaningful benefits to host communities, and strengthens the electricity system. Within [TAF's legislated mandate](#) we will be focusing on Pillars 1 and 3 for this submission.

Pillar 1: Advancing Economic Development**Recommendation 1: Responsible energy planning and grid integration**

Require every proposed data centre to submit and implement a publicly available energy, emissions, and grid stewardship plan as a condition of receiving and maintaining a grid connection approval from the IESO and relevant local distribution company. These plans should be publicly accessible on a registry and:

- Disclose projected annual electricity consumption, peak demand, load profile, direct and indirect greenhouse gas emissions, water consumption, and expected electricity generated or delivered by backup systems;
- Demonstrate how the facility will minimize its contribution to system peaks through demand flexibility, energy storage, load shifting, and/or participation in available grid-support or local demand response programs (such as Toronto Hydro's Local Demand Response Program);
- Identify how the proponent will secure new, verifiable clean electricity supply, including through on-site generation, storage, corporate [clean power purchase agreements](#) (PPAs) or distributed energy resources [deployed in the local community](#)

that bring additional clean capacity to the host community or Ontario electricity system;

- Establish enforceable limits (such as hours per year) on natural gas and diesel generation, restricting their use to emergency backup, maintenance, and required testing rather than routine electricity production;
- Include measurable targets, implementation timelines, and annual public reporting in line with best [practices from other jurisdictions](#);
- Create a rate classification specifically for data centres to reduce the risk to the average electricity consumer. This can include corporate power purchasing agreements, or other 'behind the meter' efforts that reduce strain on the grid; and
- Limit any behind the meter energy production to non-emitting technology.

These recommendations align with best practices, such as [leading regulation](#) in the Republic of Ireland.

Recommendation 2: Integrated water efficiency and waste heat utilization

Require every proposed data centre to submit and implement an *Integrated Water and Thermal Energy Plan* that minimizes water consumption and treats waste heat as a recoverable local energy resource. These plans should be required to include, but not be limited to:

- The use of high-efficiency closed-loop or similarly water-efficient cooling systems, unless the proponent can demonstrate that an alternative system meets or exceeds the environmental performance targets established in the framework;
- Assessment of the quantity, temperature, seasonal availability, and potential uses of waste heat; and
- Implementation of all feasible opportunities to recover and use waste heat on-site or in nearby buildings, public facilities, industrial operations, greenhouses, or district energy systems, including:
 - Pre-zoning coordination with municipalities, utilities, district energy operators, and neighbouring landowners to identify viable heat users,
 - District-energy-ready design where an immediate end user is not available, including connection points, space allowances, compatible equipment, infrastructure provisions, and a defined implementation timeline,
 - Public reporting on water use, heat beneficially used, and barriers to further heat utilization.

Some of these recommendations may require a multi-year phased-in approach, such as the strategy developed in Germany. We recommend that a phased-in approach should be

considered over a one-to-three-year implementation timeline to provide data centre developers a reasonable runway to plan and invest.

Pillar 3: Invest in Communities and Earn Public Trust

Recommendation 1: Independent monitoring, public transparency and community accountability

Ontario should require full transparency and public disclosure for all proposed data centres, consistent with established [European Union Commission](#) practices. At a minimum, proponents must secure municipal support through planning approvals or council resolutions, and all applications should be posted on a publicly searchable registry that also tracks ongoing data-centre performance. Each application should include:

- A municipal support resolution, site planning approval, or equivalent mechanism to indicate council support;
- Ownership information;
- A community benefits plan;
- Independent baseline monitoring of ambient noise and air quality before construction;
- Ongoing monitoring during construction and operation, including noise, air quality, water use, electricity consumption, backup generator operation, and other locally significant effects;
- Provincially set publicly accessible targets that include annual reporting on electricity use, peak demand, greenhouse gas emissions, backup generator fuel use and operating hours, water consumption, noise performance, heat recovery, clean electricity procurement, grid-support participation, and progress against all approval commitments;
- Accessible community engagement before approval and throughout facility operation, including public meetings, plain-language technical information, advance notice of construction or testing activities, and opportunities for residents to provide input;
- A documented complaints and response process with clear service standards, escalation procedures, and publication of aggregate complaint and resolution information; and
- Independent verification or audit of reported performance, with financial penalties and corrective measures where commitments or performance standards are not met.

Conclusion:

Public trust and community benefit must guide how data centres are planned and approved. Municipal support resolutions, similar to those used for energy projects, are essential. Public reporting and transparency are critical to maintaining confidence and demonstrating community support and integration. Data centres can strengthen communities through

benefit plans, distributed energy, and advanced heating and cooling systems, but without strong regulation they can disrupt host neighbourhoods with noise, air pollution, water strain, and higher energy costs. These recommendations aim to ensure responsible deployment that earns and sustains public support.

Sincerely,

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About The Atmospheric Fund

The Atmospheric Fund (TAF) is a regional climate agency that invests in low-carbon solutions for the Greater Toronto and Hamilton Area (GTHA) and helps scale them up for broad implementation. Please note that the views expressed in this submission do not necessarily represent those of the City of Toronto or other GTHA stakeholders. We are experienced leaders and collaborate with stakeholders in the private, public and non-profit sectors who have ideas and opportunities for reducing carbon emissions. Supported by endowment funds, we advance the most promising concepts by investing, providing grants, influencing policies and running programs. We're particularly interested in ideas that offer benefits in addition to carbon reduction such as improving people's health, creating local jobs, boosting urban resiliency, and contributing to a fair society.