CLIMATE TASMANIA
Independence, knowledge and commitment to climate action

Submission to the Draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania

Climate Tasmania is glad to have the opportunity to comment on this draft.

While the document assumes the development of further data centres and invites suggestions, we have addressed basic principles.
We note that 'These expectations are a non-statutory statement of government policy ----They provide early guidance on the outcomes the Government expects proponents to pursue through existing approval, connection and commercial processes' (pg.3).
In our view they outline the minimum requirements for any new project. It is not clear in the draft document how they are to be implemented.

Climate Action Imperative
Climate Tasmania's fundamental view is that all major projects must directly and overtly address climate change impacts.

The 2024-25 Independent Review of the Climate Change (State Action) Act 2008 has highlighted a negligible reduction in greenhouse gas emissions across key emission sources. The stated claim of achieving net zero emissions is based on historic changes within the land use (LULUCF) sector with the independent review outlining the risk of over-reliance on sequestration in the absence of more robust efforts to reduce the source of emissions. Excluding the influence of the LULUCF sector Tasmanian greenhouse gas emission rose by 0.06 Mt CO2-e between 1990 and 2023. The recent UNEP report *'Limiting overshoot – Navigating exceedance of 1.5^{o}C and pathways towards return'* makes very clear the present and close-future threats to human livelihoods and life, and the reality that every increase and every reduction in emissions counts. This must be a high priority of every government policy and project.

The consideration of proposed expansion of AI data factories in Tasmanian cannot be made in isolation from the urgency of reducing our greenhouse gas emissions and developing equitable mitigation and adaptation strategies. This needs to be reflected in the Principles. It is Climate Tasmania's view that a strengthened Climate Change (State Action) Act should support this.

Maximising Benefits to Tasmania
The Expectations document separates the construction of data centres from the analysis of the value and impacts of AI. It is the exponential expansion of AI that is driving the boom in centre construction. Tasmania needs to be actively and critically examining AI with the Commonwealth and States along with regulating the building of data centres. The long-term benefits to Tasmanians are unclear and unlikely unless there is strong national policy and action on AI and full community participation in planning. Given the transformational impact of AI and the related infrastructure, there must be rigorous community consultation and project transparency and monitoring.

Issues around the viability and reliability of Firmus that have emerged recently are concerning, given the Tasmanian Government's enthusiasm for approving the development of centres. For example, if Firmus is permitted to build its renewable electricity requirements on the mainland, the long-term benefits to Tasmanians will be negligible.

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Protecting Tasmania's Renewable Supply for the Energy Transition

The rapid uncontrolled development of AI has super-charged the building of data centres, including in Tasmania. Prior to the adoption of the final Principles and Expectations paper, there are already 5 publicly announced centres and an additional 6 confidential projects in Tasmania in early planning (according to Response to Notices of Motion No.146 in the Tasmanian Parliamentary papers of 2026).

Climate Tasmania is concerned that the emissions impacts (including the embodied energy of the structures) and the potential compromise to the availability of renewable electricity to electrify transport and other industrial uses are not being adequately addressed. This latter issue is essential to Tasmania actually reducing fossil fuel emissions. Again, we emphasise here that current and future renewable electricity generation should be viewed as a critical resource to support a reduction in emissions among other industrial users and sectors, such as transport. It must not be compromised by the electricity demand of data centres. The document recognises (pg 11) the likelihood that data centres will be operational before their new renewable electricity supply is available, but it glosses over the problems this will create.

Supporting Tasmania's energy system

The statements of Principles and Expectations (pp 4, 5 through to Expectation 3) talk of 'The Tasmanian Government expects developers to ….' Then in discussion of Expectation 4, 'Supporting Tasmania's energy system (pg 10, 4a), the language shifts to 'Proponents must… and 'The Tasmanian Government requires…' While supporting the principle that data centres must provide their own renewable electricity, Climate Tasmania asks where is this specified for the centres currently in planning or already approved and how is this to be ensured via the current planning processes and weak climate legislation? Here we also raise concerns that expanding renewable energy generation in Tasmania purely to support the additional demands of AI data centres presents a potentially significant opportunity cost. Those sites deemed most suitable and socially acceptable if developed preferentially to support AI data centre expansion will reduce the viability and desirability for then additional renewable energy generation. Councils are already voting to approve data centres while the government's principles and expectations paper is still in draft.

Firmus is planning to install fossil fuel (diesel) generators for firming and is already challenging the restrictions on their use. (https://www.abc.net.au/news/2026-09-15/firmus-technologies-lodge-tascat-appeal-for-generator-use/107144572). In addition to the adverse climate impacts of increasing fossil fuel use, the draft expectations need to more explicitly address the potential adverse health effects associated with regional air pollution.
In addition to carbon emissions, Appendix 1 outlines additional issues relating to diesel generators.

In reference to the above concerns around the opportunity costs of renewable energy generation, we urge the government to consider more specific models for adding renewable energy generation within the Tasmanian electricity system with direct community benefit. For example, financing the roll out of rooftop solar on public buildings, such as schools and hospitals, and extending this to distributed renewable energy and storage in urban environments to directly reduce electricity costs for those least able to adapt to future price increases.

Recentering climate mitigation effort

We return to our fundamental view that data centre construction and use must be integrated into a robust strategy to reduce fossil fuel emissions within the Industrial Processes and Product Use sector. As such, any new AI data factory proposal must have a mandated pre-construction plan for eliminating fossil fuel use and use and providing new Tasmanian renewable electricity within ongoing operations.

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We urge that no more data centres be approved until the Principles and Expectations are improved and finalised.

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Appendix 1

Data centres are said to require extraordinarily high levels of electricity supply reliability, and so usually come with a large number of diesel generators (gensets). If a 200 MW data centre uses 5 MW gensets, that's an array of 40 gensets.
Issues:
*Each machine will have its own fuel tank, probably with enough diesel for a few days of continuous running, or there will be a central fuel tank with a plumbed in fuel supply system – or some combination of both
* Each genset will need to be test-run, for a defined time, and frequency. At fuel terminals, diesel fire pumps were test run every month, with each diesel engine running for 15 to 30 minutes. Just this activity results in significant noise (including noise exposure of the technicians running the tests), air pollution, and of course CO2 emissions.
*Will running all of the gensets at once – if there is a power supply outage – comply with air pollution discharge limits?
* Diesel fuel does not store well. What are the plans to clean or replace the diesel? What happens to the "old" diesel?