

Submission to the Inquiry into AI Data Centres in Tasmania

To: The Secretary, Standing Committee on Government Administration A, House of Assembly

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I write in a personal capacity and make no claim to being an expert in energy, planning or law. Rather, I am a Tasmanian with an interest in how this State parts with what it owns—that the asset be named, the terms be written down, and the reasoning be on the record where it can be tested. Nothing in what follows asks the Committee to take my word for anything.

I do not object to this submission being published.

This submission does not oppose data centre investment in Tasmania. It accepts that the investment is valuable, and argues that *because* it is valuable the State is entitled to set terms—and that Tasmania currently has no instrument capable of adequately setting them.

The Committee's resolution of 5 August 2026 asks what legislation and regulations are *necessary to* achieve seven outcomes. This submission seeks to put forward provisions rather than sentiments, placed in the argument that justifies each one. The recommendations are consolidated at Annexure A for ease of access, but they are meant to be read where they fall.

Part 1—Tasmania is selling something scarce

Tasmania is not competing for any given investment. It is *selling* a genuinely scarce global input: firm, low-carbon, water-adjacent electrical capacity, in a temperate climate, under stable law. Very few jurisdictions have all of these. **Sellers of scarce inputs set terms.**

The question before the Committee is not whether to permit this class of investment. It is what legislative and regulatory framework is necessary to protect the public resources these facilities consume, to bring their real impacts within the resource management and planning system, to make both their consumption and their allocation visible to Parliament, and to secure a tangible return for Tasmanians.

Tasmania has a repeatable failure mode in resource and industry policy, and our nascent foray into AI infrastructure risks becoming the most recent example.

A scarce public asset is identified — A mobile private counterparty is courted on the argument that it will otherwise go elsewhere — The asset is transferred at or below its opportunity cost, with the public benefit expressed as forecasts, expectations or memoranda rather than enforceable conditions — When the forecasts fail there is no instrument to enforce, no register to check, and no counterfactual on the record.

A statement of expectations is no way to rectify this failure mode.

None of this is a prediction. It is a description of a sequence Tasmania has run before—with public forests, with smelters, with mineral projects—in which the asset moves first and the conditions are left to good faith, and the instrument that would have bound them is never built. The absence is not an oversight. An expectation costs a government nothing to give and nothing to break.

In none of those cases was Parliament asked to approve the terms on which the resource passed. Where it legislated at all, it did so to ratify or to facilitate an agreement already struck. It was told the terms afterwards, if at all. Tasmania has a planning system, an environmental regulator, a water regulator, an economic regulator and a national electricity rulebook—and no mechanism at all for deciding who receives firm electrical capacity, on what conditions, and with what visibility to the House. That is the instrument this submission asks the Committee to build.

Part 2—The framework must not be built around one kind of business

This is the recommendation I would ask the Committee to consider above all others, and the one most at risk of being lost.

The inquiry has been prompted by a particular set of projects and a particular proponent. The legislation it recommends must not be. There are four reasons, and they compound.

“AI data centre” is a marketing term, and marketing terms are drafted around. The draft *Expectations for Data Centres and AI Infrastructure Developers: Tasmania* applies to hyperscale, co-location, large-scale AI compute and multi-site developments, but not to small-scale edge or on-site enterprise facilities—and defines neither category. A proponent facing obligations attached to the phrase “AI data centre” has an obvious and cheap response, which is to describe itself as something else. The second entrant will simply not call itself one.

The asymmetry a technology-specific regime creates. A new entrant that has publicly committed to being last on and first off the grid, and to underwriting new generation, would face parliamentary scrutiny, a public register and enforceable conditions. An incumbent load of the same size—on a confidential legacy contract at a price Tasmanians are not permitted to know, in some cases while holding nine figures of public money—would face none.

Obligations should follow the impact on the public asset, and that impact is a function of megawatts, not of what happens inside the building. A 288 MW load—the capacity proposed for the Bell Bay site at George Town—draws 288 MW of firm capacity whether it is smelting, milling or inferencing.

The technology will move faster than the Act. An Act named for the workload of 2026 will be obsolete before it is reviewed. An Act that regulates connected electrical load will not be.

The fourth is political rather than legal. A framework drawn around a single proponent, or a single kind of business, reads as opposition to it and will be discounted accordingly. A

framework that binds the second and third entrants as firmly as the first reads as what it is: the State deciding how it sells a scarce asset.

Recommendation 1. That the Committee recommend a single purpose-built Act—provisionally a **Major Energy Users Act**—which is technology-neutral in application and regulates facilities by **connected or contracted electrical load**, not by business description, sector or the technology deployed on site.

A threshold expressed in megawatts is only as good as its anti-avoidance provisions. Without them, a campus is staged into sub-threshold increments, or split between related entities, or connected behind the meter to a co-located generator. Each of those is a standard structuring response, none of them is novel, and all of them are cheaper than compliance.

Recommendation 2. That the Act apply to facilities with contracted or applied-for maximum demand at or above **20 MW**, with a lighter reporting-only tier at 5 MW, and that it contain aggregation provisions capturing related bodies corporate, contiguous or functionally integrated sites, staged development over a rolling five-year period, and behind-the-meter or co-located generation arrangements.

Recommendation 3. That the Act apply to all facilities above the threshold, whether existing or new, with reporting and register obligations commencing for all such facilities on commencement of the Act, and allocation conditions—build obligations, curtailability and the charge—applying on any new allocation, material expansion, or renewal of a supply agreement.

Applying the conditions at renewal rather than retrospectively is what makes this fair, and the occasions are real rather than hypothetical: Bell Bay Aluminium’s contract is reported to fall due in December 2026. No Act recommended by this Committee could be in force by then, which is why the interim request at Part 11 asks that the terms of such a renewal be tabled when it is made. That is less than conditions, and it is the most that can be asked before the Act exists. A renewal of that scale is exactly the occasion on which conditions should attach, and Tasmania will keep producing such occasions. It is also what closes the asymmetry described above. A framework that reaches only new entrants would scrutinise the loads whose terms are already partly public and leave untouched those whose terms are not.

Tasmania would not be pioneering here. Regulating large electricity users by connected load, at a stated threshold, is now common practice.

Jurisdiction	Instrument	Threshold and binding content
Ireland	CRU Large Energy Users Connection Policy, December 2025	1 MVA import capacity. At least 80% of annual demand from <i>additional</i> Irish renewable generation on a six-year glide path, plus dispatchable generation or storage matching import capacity
Oregon	POWER Act (HB 3546, 2025)	20 MW. Dedicated service class with long-term contracts and cost allocation to those facilities
Ohio	AEP Ohio tariff, approved by PUCO, July 2025	25 MW. 85% minimum demand charge on contracted capacity, contracts of up to twelve years (ramp plus eight-year term), exit fees, collateral

Virginia	Dominion GS-5 rate class, approved November 2025	25 MW. Fourteen-year contracts with minimum demand charges, effective 2027
Utah	SB 132 (2025)	100 MW. No duty to serve except by contract; utility impact evaluation before any commitment to serve
Delaware	HB 445 (2026), Title 26 s 8066	30 MW. Must produce renewable energy in-state: annual ramp-up plan to the Public Service Commission, 100% in-state production by year ten, no grid connection below 25%, penalty set at the cost of the generation not built
Texas	SB 6 (2025)	75 MW. Interconnection standards, cost responsibility, and a requirement that large loads be <i>capable of curtailment</i> in grid emergencies

Every one of these is triggered by load. Two—Ireland and Delaware—narrow the trigger with a sector descriptor as well, Delaware by reference to a data processing and hosting industry code. I depart from that on purpose. A code is a description of a business, and a business can be described differently; pairing the threshold with a code reintroduces exactly the avoidance risk the threshold is there to close, and invites the arbitrariness argument set out above. The megawatts are what the public asset is measured in, and the megawatts should be the trigger.

If the Committee prefers the belt-and-braces approach, the sector descriptor should widen rather than narrow the class—load **or** primary engagement in computing, data processing or hosting—not operate as a second hurdle a proponent can duck under.

By mid-2026, regulators in more than twenty US states had approved large-load tariffs of this kind, and legislatures in at least eighteen had introduced bills creating special rate classes or cost-sharing obligations. Tasmania is not being asked to lead. It is being asked to catch up.

The same logic applies to the language of subsidy. The draft Expectations ask that projects demonstrate viability “without reliance on government financial support” but do not define the phrase, and on its face, it does not obviously capture the ways value is actually transferred here.

Recommendation 4. That the Act define **government financial support** to include any transfer of value from, or assumption of risk by, the State, a State authority, a Government Business Enterprise (GBE), a State-owned company or a council—expressly including concessional or discounted land, network or water augmentation not fully recovered from the proponent, tax and rate concessions, energy supplied below independently assessed opportunity cost, and any indemnity or contingent liability.

Part 3—The instrument now proposed cannot do this work

The September 2026 draft Expectations create no obligation. That is not an inference drawn against the document; it is the document’s own statement. Under the heading describing how the expectations operate, it disclaims creating any approval or regulatory process, altering

statutory assessment criteria, fettering independent decision-makers, or displacing existing legal requirements.

Read that against who actually decides these projects. A planning authority determining a development application does so under the *Land Use Planning and Approvals Act 1993* and the Tasmanian Planning Scheme, and its discretion is confined to what the scheme makes relevant. A non-statutory policy document is not in that set. **The document therefore appears to disclaim relevance to the only decisions it is ostensibly about.** I put that as a proposition rather than a conclusion, and ask the Committee to put it to the Solicitor-General and place the answer on the record. If it is right, the consultation now running cannot produce a regulatory instrument whatever its outcome. If it is wrong, the Government should explain how the expectations bind.

There is one answer the Government may give, and the Committee should test it rather than wait for it: that the Expectations could be made a State Policy under the *State Policies and Projects Act 1993*, which would bind planning schemes and planning authorities. That would cure the planning defect and nothing else. A State Policy binds planning decisions; it does not bind Hydro Tasmania's decision about who receives firm capacity and on what terms, which is a commercial decision of a Government Business Enterprise and not a planning decision at all. The gap identified at Part 4 would survive it untouched.

Two features of the draft show why this matters in practice rather than only in principle.

The language implies obligations that do not exist. The document cycles through *expected to*, *should*, *must* and *required to* with no apparent system. All four carry identical legal weight, which is none. The strongest verbs cluster exactly where the political exposure is greatest—new renewable build, network costs, water forecasting. A document that reads as mandatory to a lay reader and binds nobody is worse than one that admits it is voluntary, because it suppresses demand for the real instrument.

The additionality clause defeats itself. Clause 4a requires proponents to bring on additional renewable generation, then permits supply from existing generation where there is spare capacity. The exception swallows the rule. Verification is left to recognised certification schemes—in practice annual certificate matching, which can be satisfied by surrendering certificates from plant that already exists. Nothing physical changes. I return to what genuine additionality requires at Part 6.

One clause has attracted no attention at all and should. Clause 4c lists acceptable backup and storage options and includes forestry waste among them. That inserts a residues-to-energy pathway into an energy policy document, with no definition of “waste”, no chain-of-custody requirement and no exclusion of native forest material. It is the kind of provision that becomes a business case in eighteen months, and I address it in Part 5.

Finally, the consultation is structured so it cannot produce a binding framework. The consultation questions ask how government can assist proponents, what proponents might volunteer, or which commitments would be desirable. None asks whether the instruments should be statutory. The paper also rules broader AI policy questions out of scope—which brackets the only question that determines whether Term of Reference 6's “tangible benefits” test can be met: what the compute is for, and who gets access to it.

Part 4—The decision being made right now, and the absence of any process for making it

Hydro Tasmania is assessing a request from Firmus Technologies for 450 MW across three sites—St Leonards, Bell Bay and Wesley Vale, whose individually reported capacities sum to 444 MW—with an outcome expected by the end of 2026. Run continuously, a load of that size would consume roughly a third of the electricity Tasmania currently uses in a year.¹ No Act of Parliament, no disallowable instrument, no published criteria and no statement of reasons govern that decision.

That is the central fact before the Committee, and it is worth stating what it means concretely. To its credit, the proponent has put its position on the public record: Firmus says that it pays a fair market rate for its load, at no discount, and has committed to being “last on and first off” the grid.² Other major industrial loads have made no comparable commitment, and nothing obliges them to.

The problem, though, is that nobody outside of government can verify these claims—not Firmus’s claims, and not the terms on which anyone else is supplied. Tasmania is about to make the largest single electricity allocation in its history through a process that produces no document anyone can read, applies no criteria anyone can test, and gives Parliament no role at any point. The point is not whether to believe Firmus—it is that belief is the only option on offer.

The first problem is that nobody outside Hydro Tasmania knows how much capacity there is to allocate. Every argument in this debate—that the grid has room, or that it does not—is being made without the number.

Recommendation 5. That TasNetworks, Hydro Tasmania and TasWater each be required to publish annually their assessment of available energy, firm capacity, transmission and water headroom, by region and by year.

The second problem is that a private commercial negotiation is not an allocation method. Two separate processes sit behind these decisions, and neither applies a public-interest test. Grid connection runs through TasNetworks under the National Electricity Rules, which is technical and broadly order-of-arrival, but which allocates nothing scarce—it connects whoever meets the standards and pays. Energy supply is a separate contract with Hydro Tasmania, and on Hydro’s own public description it is bilateral: regulated contracts follow a template under the Wholesale Contract Regulatory Instrument, which exists to serve small customers, while non-regulated prices are “offered to authorised counterparties that have agreed to Hydro

¹ Hydro Tasmania statement reported by ABC News, 4 September 2026 (450 MW; outcome expected by the end of 2026). The consumption comparison is my arithmetic: 450 MW at an 85–90% load factor is 3,350–3,550 GWh a year, against annual Tasmanian consumption of roughly 10,500 GWh (Office of the Tasmanian Economic Regulator, Energy in Tasmania report; the 2020 baseline under the Tasmanian Renewable Energy Target (TRET) is the same order). A figure of “up to 30%” has appeared in reporting without attribution to Hydro Tasmania; the Committee should obtain Hydro’s own number.

² ABC News, “Firmus responds to public backlash”, 2 July 2026.

Tasmania's terms and conditions". There is no queue, no published criteria and no competitive call—only a direct negotiation.

That is worse than a queue, not better. A queue is at least a rule, and a neutral one. What exists instead is a discretionary commercial judgement, exercised privately by a monopoly Government Business Enterprise whose statutory duty runs to its own returns, against criteria it does not publish, in a decision that is invisible to everyone it affects. Singapore—a small jurisdiction whose constraint, like Tasmania's, is a hard capacity limit—imposed a moratorium in 2019 and reopened in 2022 by allocating a bounded quantum of capacity through a competitive call against published criteria. That is the model for treating grid headroom as a scarce public asset.

Recommendation 6. That electrical capacity above the threshold be allocated through periodic rounds against published, weighted criteria—including additionality contracted, curtailability offered, capital committed, ongoing employment and local procurement per megawatt, water intensity, compute access offered to Tasmanian public institutions, and financial standing—and that allocation cease to be determined by bilateral negotiation between a Government Business Enterprise and an individual proponent.

The third problem is who decides. The draft Expectations name the Office of the Coordinator-General as the proponent's principal point of contact and the body that coordinates engagement across approval pathways. That office's function is investment attraction. The paper attaches no conflict-of-interest obligations, no disclosure duties and no record-keeping requirements to it. **The body whose job is to attract the investment cannot be the body that decides what the investment costs the public.**

Recommendation 7. That the Act confer on the Office of the Tasmanian Economic Regulator (OTTER) an express function of determining allocations, or establish a statutory panel with published membership, conflict-of-interest obligations and a duty to give reasons—and that the function not rest with the Office of the Coordinator-General; and that the Office of the Coordinator-General either be given a statutory basis with express duties and a published conflict-of-interest register, or be separated from any function touching allocation or assessment.

The fourth problem is that Parliament currently learns of these decisions from the newspaper. Term of Reference 3 asks about parliamentary oversight of *resource allocation*, and that clause has no existing answer at any threshold.

Recommendation 8. That every allocation at or above the threshold be tabled in both Houses within fifteen sitting days, with its conditions, the assessment against published criteria, and a statement of reasons; and that the Act deem an allocation above 100 MW to be a disallowable instrument, or provide for its automatic referral to a standing committee; and that, so that disallowance does not operate to unwind an executed contract, the Act provide that a supply agreement giving effect to such an allocation does not take effect until the disallowance period has expired.

The fifth problem is that much of the demand being planned for may not be real. Interconnection requests are cheap options, and announced pipelines systematically exceed

built load. The evidence here is unusually clean: after the Public Utilities Commission of Ohio approved the AEP large-load tariff, with its take-or-pay and collateral requirements, AEP Ohio's data centre pipeline fell from more than 30 GW to about 13 GW.³ A tariff requiring firm financial commitment is the cheapest available filter for distinguishing a project from an option. Tasmania has no such filter—and is being asked to allocate 450 MW against a proponent pipeline described at around 1.6 GW by 2028, on a system whose peak demand is under 1.8 GW and whose average demand is around 1.2 GW.

Recommendation 9. That allocations carry non-refundable capacity deposits scaled to megawatts, use-it-or-lose-it commissioning milestones, automatic lapse of unused capacity, and a statutory duty to disclose concurrent interconnection applications in other jurisdictions.

The allocation now in front of Hydro is not “spare” capacity in any simple sense

The draft Expectations permit supply from existing generation where there is spare capacity, and there is a reason that clause matters now rather than in the abstract. Liberty Bell Bay's closure in July 2026 released contracted capacity, and Bell Bay Aluminium's contract is reported to fall due for renewal in December 2026.⁴ On the reported figures, that is several hundred megawatts of already-firmed capacity potentially becoming available on almost exactly the timeline the 450 MW request needs.

One realistic scenario, therefore, is no new generation being built. It is Tasmania substituting metals processing load for compute load, with no net new renewable capacity, and describing the result as investment attraction.

The employment arithmetic of that substitution should be put on the record by the Committee rather than by the proponent, and Part 9 sets out what the figures are. Construction employment is real and significant—independent benchmarking puts it at 0.7 to 2.0 workers per megawatt during the build. Ongoing employment is an order of magnitude smaller, and it is the wrong denominator for a decision about this share of the state's electricity.

Part 5—Household prices, and the promise that has already been tested

The contract that sets the retail price is the one nobody can see

Hydro Tasmania is understood to be the only supplier of wholesale energy contracts in the state, and retailers reach residential customers through the Wholesale Contract Regulatory

³ AEP Ohio filings with the Public Utilities Commission of Ohio, September 2025 (pipeline reduced from more than 30 GW to about 13 GW following approval of the data centre tariff in Case 24-508-EL-ATA, July 2025); Sabin Center for Climate Change Law, Columbia Climate Law Blog, “Data center regulation: large-load tariffs and clean transition tariffs”, June 2026 (citing Edison Electric Institute counts of approved and pending large-load tariffs); MultiState, state large-load legislation tracker, February 2026 (eighteen states).

⁴ Liberty Bell Bay ceased operating on 16 July 2026 (reported contracted load in the order of 90 MW). Bell Bay Aluminium's contracted load is reported at about 355 MW, on a contract extended by one year to December 2026. These figures and dates are drawn from secondary reporting rather than a primary document. The Committee is far better placed than I am to confirm them against Hansard or Hydro Tasmania's annual report. No recommendation in this submission depends on the precise figures.

Instrument, under which Hydro must make contracts available to support small customers.⁵ A monopoly wholesaler that commits several hundred megawatts of firm capacity to a single counterparty has altered the opportunity cost of every other megawatt it sells—including the megawatts that set the regulated retail price.

The Government has said Firmus will pay more than the State's major industrial, and Firmus says it pays market rates with no discount. Both may well be true. The difficulty is that neither claim can be tested from outside, because nothing is published. Clause 4b of the draft Expectations makes firming discretionary, commercial and confidential, qualified only by a requirement not to reduce Hydro's ability to pursue broader market opportunities. There is no opportunity-cost test, no disclosure obligation and no tabling requirement.

A hydro system is energy-limited rather than capacity-limited: the binding constraint is inflow across a dry sequence, not nameplate. A firming contract struck below the true opportunity cost of stored water is a transfer from households to a private counterparty, executed by a Government Business Enterprise, invisible to Parliament. That is not an allegation that it has happened. It is an observation that if it happened, no one would know.

Recommendation 10. That any firming or supply agreement between Hydro Tasmania and a regulated facility be certified by an independent expert as not below the assessed opportunity cost of the water, with the valuation methodology published even where the price is not; and that the agreement be tabled in Parliament within 30 days, disclosing volume, term, indexation basis, curtailment rights and any State indemnity.

Recommendation 11. That no cost arising from a regulated facility's supply, firming, connection or network augmentation be recoverable from non-participating customers, with the Office of the Tasmanian Economic Regulator required to certify compliance annually as part of the regulated retail price determination.

I note that the draft Expectations promise there be no net cost on existing Tasmanian customers, and that the State cannot deliver that promise through a policy paper. Network cost allocation sits under the National Electricity Rules. Delivering it requires a rule change through the AEMC, a licence condition under the *Electricity Supply Industry Act 1995*, or a State connection policy with statutory force. Recommendation 11 is the State-level component; the Committee should ask the Government which of the other mechanisms it proposes to use, rather than accepting that "national work is underway".

The flexibility promise has already been tested, and has already failed

Clause 4c of the draft Expectations says proponents should be flexible and able to reduce consumption if needed. Tasmania now has a direct test of what that expectation is worth.

On 10 September 2026, Firmus lodged an appeal in TASCAT against George Town Council's Condition 13, seeking to vary it so that its 276 diesel generators may be used to augment mains

⁵ Hydro Tasmania, submission to a previous parliamentary inquiry (demand segmentation and the Wholesale Contract Regulatory Instrument); Pulse Tasmania, "Firmus defends jobs and energy use for data centres amid controversy" (curtailment claim and renewable commitments in other jurisdictions).

supply—to offset curtailment and maintain reliability during periods of energy market stress.⁶ That is the opposite of curtailment: a plan to burn diesel rather than reduce load when the grid is tight. The company declined to say how often it expects to run them.

This is the entire case in one example. The first time a Tasmanian planning authority imposed a real operating condition on a data centre, the proponent appealed it within weeks. An expectation that a company will curtail is worth exactly what its litigation budget says it is worth.

The relevance is not hypothetical, and Tasmania has a recent precedent for why. In 2015–16 the state lost Basslink with storages at record lows, installed roughly 200 MW of emergency diesel generation, and obtained voluntary demand reduction from Norske Skog, the Bell Bay smelter and TEMCO.⁷ Curtailable industrial load is what saved the system. It is worth noting which loads those were. TEMCO is Liberty Bell Bay, the plant that closed in July 2026, so the capacity now available for reallocation is the capacity of a load that was itself part of Tasmania’s emergency response. A continuous, inflexible, 24/7 load of this scale is a materially different risk—and a load that responds to system stress by starting its own generators is worse than neutral, because it converts a demand-side resource into an emissions and air-quality liability at precisely the moment the grid needed load to drop.

If the Committee recommends a single energy provision, I would ask that it be this one. It is concrete, it is currently being litigated, and it is impossible for the Government to claim is already covered.

Recommendation 12. That the ability to reduce load on direction be a condition of allocation and of connection for a regulated facility, and that the Act provide: (a) a minimum level of interruptible load, and the notice required, to be set by the regulator and published; (b) that the facility agree by contract to be curtailed ahead of residential, health and emergency load, and that the State pursue the same order of priority through the national framework; and (c) that a facility must not run any generator that burns fuel in order to avoid or reduce the effect of a curtailment direction, while remaining free to run backup generation during a genuine supply interruption, and free to discharge on-site storage at any time.

Backup generation at this scale also needs to be regulated as what it is. Two hundred and seventy-six units is a power station, not a switchboard accessory, and its emissions should be assessed at the scale actually proposed. The same provision is the place to close the forestry-waste door identified at Part 3.

Recommendation 13. That generators at a regulated facility be subject to limits on non-emergency running hours, set by the regulator and published, with actual hours metered and reported to the public register; and that fuel derived from native forests not be eligible as a backup or bridging fuel, with proponents required to evidence the source of any biomass they use.

⁶ ABC News, 15 September 2026 (Firmus TASCAT appeal against Condition 13, lodged 10 September 2026; Firmus declined to say how often the generators would run); ABC News, 25 August 2026 (George Town Council approval, 6–1). The number of conditions is reported inconsistently (fifteen in one report, nineteen in another); the Committee should take the figure from the permit.

⁷ RenewEconomy, “Another big industrial trims demand as Tasmania energy crisis deepens”, 2016.

Part 6—Bringing new generation online

The Government's first answer to this Part will be that Tasmania already has the most ambitious renewable target in the country. It does. The Tasmanian Renewable Energy Target, legislated through the *Energy Co-ordination and Planning Amendment (Tasmanian Renewable Energy Target) Act 2020*, commits the State to 21,000 GWh of generation by 2040—200% of the 10,500 GWh 2020 baseline—with an interim target of 15,750 GWh by 2030, and requires the Director of Energy to report annually on progress.

The Committee should test that answer with arithmetic. The TRET measures **generation**, attaches no obligation to any load, and is met identically whether the additional energy goes to Tasmanian households or to facilities that did not exist when the target was set. A 450 MW load running continuously consumes, at an 85–90% load factor, between 3,350 and 3,550 GWh a year. The entire increment from the 2020 baseline to the 2030 interim target is 5,250 GWh.⁸

One facility at the capacity now before Hydro Tasmania would absorb roughly two-thirds of the whole interim TRET increment.

Tasmania could therefore meet its target in full, on time, and deliver no additional energy to any existing Tasmanian customer—because the target counts what is generated and nobody counts what the new loads take. The cheapest possible fix is to change what gets reported.

Recommendation 14. That the Director of Energy's annual report on progress towards the Tasmanian Renewable Energy Target be required to state, alongside gross generation, the electricity consumed by regulated facilities and the resulting **net position available to other Tasmanian consumers.**

Two jurisdictions have already imposed the obligation Tasmania is only gesturing at

Clause 4a of the draft Expectations asks proponents to bring on additional renewable generation and then permits supply from existing generation where there is spare capacity. Two jurisdictions have done the thing properly, and between them they supply the whole drafting template.

Ireland is the closest structural analogue: a small, constrained grid that let data centre load reach 23% of national metered electricity before settling a connection policy. The Commission for Regulation of Utilities' Large Energy Users Connection Policy of December 2025 makes it a **condition of connection** at 1 MVA that a new data centre source at least **80% of annual demand from additional Irish renewable generation** on a six-year glide path from energisation, *and* provide **dispatchable generation or storage matched to its import capacity**. The second limb is the one Tasmania's draft inverts: Ireland requires the load to bring its own firming, while clause 4b offers Hydro Tasmania's storage instead, on confidential terms, as Part 5 set out. In an energy-limited hydro system, storage is not a spare resource—it is the resource.

⁸ Arithmetic: 450 MW × 8,760 hours = 3,942 GWh at 100% utilisation; at an 85–90% load factor, 3,350–3,548 GWh. TRET figures from the Energy Co-ordination and Planning Amendment (Tasmanian Renewable Energy Target) Act 2020 and ReCFIT. The load factor is my assumption, not a proponent figure—the Committee should obtain forecast annual consumption from Hydro Tasmania and recalculate.

Delaware legislated the same obligation last month, and legislated it harder. House Bill 445, signed on **26 August 2026**, inserts a new s 8066 into Title 26 of the Delaware Code. It applies to a “large energy use facility”—one that *uses or is able to use 30 MW or more* and is primarily engaged in data processing and hosting services—and it requires that facility to **produce** renewable energy within the State to power its own operations, not merely to contract for it. The obligation has three limbs the Committee should note. A facility must lodge an annual **ramp-up plan with the Public Service Commission**, reaching **100% in-state production by the tenth year** of operations. It **may not connect to the grid at all until it has achieved at least 25%** of its required generation. And a facility that falls short **pays a penalty set by the Commission at a level sufficient to cover the cost of producing the energy, or building the infrastructure, that it failed to produce or build.**⁹

Delaware paired that with House Bill 233, which requires a separate utility rate class for the same facilities so that network and reliability costs are not shifted onto residential and small business customers, and which—as the Governor’s office described the package—puts those facilities first in line for disconnection in a grid emergency unless they supply their own generation. A third bill removed their eligibility for job-creation tax credits.

Neither jurisdiction relied on a statement of expectations. One used a regulator’s connection policy—the analogue here is a TasNetworks or Hydro Tasmania connection condition, which Tasmania could impose without waiting for a bill. The other used an Act.

Recommendation 15. That a regulated facility be required, as a condition of allocation and of connection, to:

- (a) source at least 80% of its forecast annual electricity from new renewable generation connected to the Tasmanian region of the National Electricity Market (NEM), on a timetable set in the Act;
- (b) count generation as “new” only where the project reached financial close after the facility applied for its allocation, and was not otherwise already committed, so that projects already going ahead do not count and a proponent is not penalised for committing generation before it signs;
- (c) move, by a date stated in the Act, from balancing this annually to matching what it consumes against what its own projects generate on a shorter interval, with the interval and the matched share set by the regulator and tightening towards hourly matching as the portfolio allows;
- (d) lodge its signed supply contracts with the regulator, with volume, counterparty, project and expected commissioning date published, though price need not be;
- (e) not connect to the grid until a stated share of that new generation is committed; and
- (f) pay, on any shortfall against the sourcing obligation in (a), or the matching obligation in (c) once it applies, a charge set by the regulator at the cost of the new

⁹ Delaware House Bill 445, 153rd General Assembly, signed 26 August 2026, inserting s 8066 into Title 26 of the Delaware Code; House Bill 233 (separate rate class) and House Bill 310 (removal of tax credits) were signed the same day. Qualifying generation under s 8066 is defined by reference to the eligible energy resources in Delaware’s renewable portfolio standard **and also includes nuclear generation**—a limb with no Tasmanian application, but one the Committee should be aware of before the model is cited as a purely renewable mandate. Ireland: Commission for Regulation of Utilities, Large Energy Users Connection Policy, December 2025.

generation not brought forward, paid into a fund applied to bringing new Tasmanian generation and storage to financial close.

Recommendation 16. That a regulated facility be required to procure **dispatchable generation or storage matched to a defined proportion of its import capacity**, sited in Tasmania and available to the system, rather than relying on Hydro Tasmania's existing storage to firm new load; and that the proportion be set by the regulator, so that the obligation is calibrated to what the system actually needs rather than to the facility's full import capacity.

One limit should be stated rather than discovered. A requirement that the generation be located in Tasmania prefers local supply over supply imported over Basslink, and a State law that does so must be defensible under section 92 of the Constitution as reasonably necessary to a non-protectionist end—here, security of supply in an energy-limited system whose interconnector is itself the scarce link—rather than as protection of Tasmanian generators. I think that case can be made, but it is a question of law and the Committee should put it to the Solicitor-General alongside the question at Part 3.

Part 7—The planning scheme does not name the impacts

There is currently no use class in the State Planning Provisions for these facilities. They are assessed as General Industrial, Storage, or Research and Development—classes whose standards were written for different impacts. The impacts that actually distinguish a facility of this kind are continuous night-time chiller and transformer noise, backup generation, heat rejection, security lighting, water draw, and construction traffic.

The consequence is visible in the George Town decision. The council imposed a substantial set of conditions, including a genuine restriction on generator operation. But it had to *invent* Condition 13, because the scheme gave it no standard reaching the impact—and it is now defending that improvisation in TASCAT against a proponent preparing a major share float. That is not a planning system working. It is a small council doing the Parliament's job at its own cost.

I note in passing that the draft Expectations contain a conclusion on precisely this contested question—that the buildings are not unprecedented or out of scale—in a document the Government says does not fetter decision-makers. A merits conclusion reserved to planning authorities and, on appeal, to TASCAT has no business appearing there, and it is plainly drafted to be quoted by proponents in representations.

Recommendation 17. That a **Data Storage and Processing Facility** use class be created in the State Planning Provisions, with standards addressing continuous night-time noise measured against background at sensitive receivers, cumulative noise assessment across all plant and generators at full load, backup generation, heat rejection, external lighting, water draw and construction traffic.

The higher-leverage change is a schedule amendment rather than a new Act, and the Committee should recommend it for that reason. Prescribing these facilities as a Level 2 activity under Schedule 2 of the *Environmental Management and Pollution Control Act 1994* (EMPCA)

brings mandatory referral to the EPA Board, formal environmental assessment where the Board so determines, enforceable permit conditions, statutory public notification and third-party appeal rights—and moves the assessment from a council planning department to a regulator equipped to assess a 288 MW load with 276 generators.

There is a prior question the Committee should put to the EPA Board, because the answer bears on how the recommendation should be drafted. Schedule 2 already contains a fuel-burning category, triggered by capacity to consume fuel measured in tonnes per hour, with the lowest band beginning at one tonne per hour. A fleet of 276 diesel generators would exceed that figure many times over if its capacity is assessed in aggregate, which raises the question whether the George Town proposal was already a Level 2 activity and, if it was, why it was not referred. Either answer assists the Committee. If the category does reach it, the defect is in administration rather than in the schedule, and the remedy is a direction and an aggregation rule. If it does not, the schedule has a gap where a 276-unit generating plant ought to sit.

Prescribing by load closes the gap either way, and does something no combustion trigger can: it reaches a facility that draws hundreds of megawatts and installs no generators at all, whose noise, heat rejection, water draw and lighting are the impacts this Part identifies.

Recommendation 18. That facilities above the threshold be prescribed as a **Level 2 activity under Schedule 2 of EMPCA in their own right**, by reference to connected or contracted electrical load and independently of whether any combustion threshold is met; and that the Committee first ask the EPA Board whether the existing fuel-burning category in Schedule 2 already reaches a facility with backup generation of the scale proposed at George Town and, if it does, why the proposal was not referred.

Part 8—Water, kept in proportion

Water demand for these facilities varies enormously with cooling design, and the draft Expectations concede it: water requirements “vary significantly depending on a facility’s design, scale and cooling technology”. A closed-loop liquid-cooled facility may use very little. An evaporatively cooled facility of the same capacity may use a great deal. The difference is a design choice, not a property of the industry.

Tasmania’s current proposal sits at the low end. Firmus has said St Leonards would use about 3.3 ML a year, which is genuinely small and consistent with closed-loop cooling. That is a choice the company has made and it is the right one—but nothing requires the next proponent to make it, and nothing requires this one to keep making it.

So the water problem is a drafting problem rather than a resource crisis, and I would encourage the Committee to treat submissions that describe it as a crisis with care. The difficulty is verification and durability: forecasts are self-reported, unpublished and unverified, and reporting in July 2026 indicated a plan to draw on irrigation water. The Committee should not be asked to take water demand on trust from any applicant, nor to assume the next design resembles the current one.

Recommendation 19. That a published water balance be a condition of allocation, covering maximum and average annual demand, source, cooling technology,

consumptive and non-consumptive use, and wastewater volume and quality; that potable-fed evaporative cooling be prohibited above the threshold except on the regulator's written determination; and that the approved water balance bind ongoing operation, with any material change in cooling technology or water source requiring the regulator's approval.

The second limb is what converts a good outcome into a durable one. The third is what stops it being undone quietly—thermal loads rise as chip density rises, and a retrofit from closed-loop to evaporative cooling would blow past any balance approved today.

To be clear about how this sits within the Act: water is not an independent trigger. The obligations in this Part are conditions attaching to a facility that is caught by the electrical load threshold, which is why the Act is named for energy users and not for water. Priority in scarcity is a separate question, and it should be settled in the Act rather than negotiated during a drought.

Recommendation 20. That a statutory drought curtailment order place regulated facilities below human consumption, health services and existing licensed irrigation entitlements.

Part 9—What “tangible benefits” has to mean

Term of Reference 6 asks about tangible benefits from *all* AI and data facilities. The draft Expectations answer it by suggesting proponents seek opportunities to deliver appropriate community benefits. That is not a benefit; it is a sentiment with a sponsorship budget attached.

The starting point is that **jobs are the wrong benefit to ask for**. These facilities are capital, not labour. Asking a capital-intensive industry for jobs yields a small number of jobs and nothing else, and it hands the proponent an easy answer to every other question. Independent benchmarking of operational staffing puts these facilities at roughly 0.15 to 0.35 full-time equivalents per megawatt, with the largest facilities at the low end. Firmus's own public figures—52 roles at St Leonards, 144 at Bell Bay and 20 at Wesley Vale, about 216 ongoing positions for 444 MW—imply roughly 0.49, which is above that range. Even on the proponent's own, above-benchmark figure, this is what the industry is. It is not a scandal, and it is not a case for the investment either.

The mechanism that works elsewhere is closed to Tasmania by statute

The most effective value capture in the world is in Loudoun County, Virginia, and it works because Loudoun taxes **the servers, not the shed**. Computer equipment sits in the business personal property class at US\$4.15 per \$100 of assessed value, against a real property rate of \$0.805—a differential of more than five times, on a base that is replaced every few years and replenished each time. The effect on households is visible in the rate: Loudoun's residential real property rate fell from \$1.145 in 2016 to \$0.805 in 2026.

That base does not exist in Tasmanian law. The *Valuation of Land Act 2001* defines both assessed annual value and capital value so that **“the land is taken not to include any plant, machine, tool or other appliance not fixed to the land”**. Racked, hot-swappable and

frequently leased servers are not fixed to the land. In Tasmania a council therefore rates a large shed on industrial land, and the plant inside it—which is substantially the whole capital value of the facility—is invisible.¹⁰

The Committee should not recommend amending that definition. Bringing plant and machinery into the rating base would reach every smelter, mill and processing plant in the State, and would be litigated for a decade. The answer is a State-level charge, and Tasmania already has two working models for one.

Tasmania already knows how to do this

The Community Support Levy under the *Gaming Control Act 1993* takes 5% of gross profit from electronic gaming machines in hotels, 4% in clubs and 3% in casinos, and hypothecates it in shares fixed by the Act—25% to sport and recreation, 25% to charitable organisations, 50% to gambling harm. Whatever one thinks of the industry it applies to, the drafting is the precedent: a statutory levy on a defined base, with the distribution written into the Act rather than left to ministerial discretion.

Mineral royalties under the *Mineral Resources Regulations* charge 1.9% ad valorem on net sales *plus* a profit component, capped at 5.35% of net sales, with a rebate of up to 20% for in-state metal production. That is the more instructive of the two, because it does three things at once. It charges private operators for extracting value from a public resource. It uses a two-part design, so the charge tracks both volume and profitability. And it **discounts the charge where the operator adds value onshore**—which is precisely the lever Tasmania needs here.

Virginia shows that a jurisdiction which competed hard for these facilities will still charge for them: its 2026–28 budget imposes a levy of 1.1 US cents per kilowatt-hour on electricity consumed at data centres, capped at US\$600 million a year. That answers the sovereign-risk objection. It does not, however, supply the legal form. A State charge calculated on electricity consumed is exposed under section 90 of the Constitution, which reserves duties of excise to the Commonwealth: since *Vanderstock v Victoria* (2023) an excise reaches a tax on goods at any stage of their life cycle, including consumption. The mineral royalty model is the obvious place to look for that form, and it does not quite fit. A mineral royalty is not a tax because the minerals are vested in the Crown, and the royalty is consideration for the Crown parting with something it owns. Firm electrical capacity is not held on that footing. It is sold by a Government Business Enterprise under a commercial contract for which the facility already pays, and a State charge imposed on top of that—particularly one carrying a profit component and a rebate—invites the argument that it is in substance a tax on the supply of electricity, with *Ha v New South Wales* (1997) as the authority against it.

There is, however, a resource the Crown does hold. In an energy-limited hydro system the scarce input is stored water, and the right to take water is a statutory grant of the State under

¹⁰ Sources for this Part. Loudoun County rates from loudoun.gov, “Data Centers: Tax Revenues & County Budget” (business personal property US\$4.15 per \$100, tax years 2026–27; real property US\$0.805 per \$100, tax year 2026; residential real property rate US\$1.145 in 2016). I have not verified Loudoun’s total annual data centre revenue against the county budget and have therefore not stated one. Tasmanian definitions from the *Valuation of Land Act 2001*; Community Support Levy rates and hypothecation from Department of Treasury and Finance, *Future of Gaming in Tasmania* fact sheet no. 1; royalty structure from Mineral Resources Tasmania, *Royalties under the Mineral Resources Regulations*, as at 1 July 2026.

the *Water Management Act 1999*. A charge framed as consideration for the taking of water to firm a regulated facility's load stands on materially the same footing as a mineral royalty; a charge calculated on megawatt-hours does not. I put that as the drafting problem to be resolved rather than as a conclusion, and it belongs with the questions for the Solicitor-General at Parts 3 and 6.

How the charge sits alongside the rest of this framework

This is the point at which a proponent will say the framework charges it three times over: full network costs under recommendation 11, a build obligation under recommendations 15 and 16, and now a charge for the allocation itself. The objection has to be answered in the drafting, not in debate, so the Act should distinguish the three on their face. They are different things, and Tasmanian law already treats them as different things everywhere else:

Charge	What it is	When payable
Network and connection cost recovery (recommendation 11)	Cost. The facility pays what it causes, so other customers are made whole	Always, at cost
Build obligation shortfall charge	Performance. Specific performance expressed in money, sized to the generation not built	Only on failure to build
Allocation charge	Price. Consideration for the taking of a public resource, on the mineral royalty model	Always, on allocated capacity

A mining company that builds its own haul road and pays royalty is not being charged twice for the same thing, and nobody argues that it is. The same logic applies here, and saying so plainly in the Act removes the argument before it is made.

The rebate limb is what keeps the total burden proportionate. On the mineral royalty model, a facility that delivers the in-state value the State is actually seeking—compute capacity for Tasmanian public institutions, or generation brought to financial close ahead of its obligation—should pay less. That converts the charge from a flat impost into an instrument that steers behaviour, and it gives the Government something to say yes to.

Recommendation 21. That a charge be imposed by statute in connection with the grant of an allocation of firm capacity, on the model of the State's mineral royalties and the Community Support Levy, and drafted so that it: (a) is charged as consideration for the taking of a public resource, with the charging base settled on advice as to section 90—the preferred base being the water taken to firm the allocated capacity rather than the electricity consumed—and with the rate and any profit-related component set in the Act and capped, on the mineral royalty model; (b) is hypothecated in shares fixed by the Act, not by ministerial discretion, between household electricity relief, a Tasmanian Digital Dividend Fund and the transmission augmentation these facilities require; (c) carries a guaranteed distribution to host councils, so that benefit capture is not left to individual council negotiation; (d) is reduced by a rebate where the facility delivers defined in-state value, including compute access under recommendation 22 or additional generation brought to financial close ahead of its obligation under recommendations 15 and 16; and (e) is expressly additional to, and not in substitution for, cost recovery and performance charges, neither of which is value capture.

The guaranteed council share is not a detail. Northern Virginia is the cautionary example: counties captured very large property-tax revenues, became fiscally dependent on them, and ended up bidding against each other on tax relief, while grid costs and transmission corridors landed on a statewide ratepayer base and on communities receiving none of the revenue.¹¹ Leaving George Town, Latrobe and Launceston to negotiate individually guarantees the same outcome, and as set out above they have no rating base to negotiate with in any event.

The benefit only a compute facility can provide

The most genuinely tangible thing a compute facility can provide is compute.

Recommendation 22. That a defined share of installed capacity—not less than 1%—or an equivalent allocation of accelerator-hours be made available at cost to the University of Tasmania, the Department of Health and Tasmanian public research, as a condition of allocation, and that delivery against it qualify for the rebate under recommendation 21.

This converts an abstract “digital ecosystem” claim into a line item, it is cheap for the operator, and it is the only version of the sovereign capability argument that means anything. Sovereignty is a function of who owns the operating entity, which law it answers to, and what the contract says—not where the concrete is poured. A facility owned offshore and hosting offshore models is not Tasmanian sovereign capability because it sits in George Town.

Charging on allocated capacity rather than on energy consumed has a second advantage worth naming. A consumption charge prices only what a facility actually uses; it does nothing about capacity that is allocated and then sat on, which Part 4 identifies as the phantom-load risk. A charge on the allocation itself falls due whether or not the capacity is used, so it makes hoarding expensive as well. That is a reason to prefer an allocation-based charge on policy grounds, whichever way the section 90 question above is resolved.

Part 10—None of it works if nothing is measured

Every recommendation above depends on somebody being able to check. At present nobody can check anything, and the draft Expectations make that permanent by leaving confidentiality to proponent self-assessment: transparency is framed as something proponents *should consider*, with a carve-out they apply themselves.

The single inversion that matters is from proponent self-assessment to regulator determination. It is also the cheapest item on this list—a page of drafting and a web form.

Recommendation 23. That a **statutory public register** of regulated facilities be established and published in machine-readable form, with mandatory annual reporting of: installed and contracted capacity; electricity consumed; power usage effectiveness; renewable share, annually and hourly matched, with source; water

¹¹ Virginia Joint Legislative Audit and Review Commission, Data Centers in Virginia, December 2024 (local revenue dependence, competition on business personal property tax rates, and statewide residential bill impacts); Virginia 2026–28 Appropriation Act (HB 30), Item 3-5.24, data centre electricity consumption tax of US\$0.011 per kWh, capped at US\$600 million a year, signed 29 June 2026.

withdrawn and consumed by source, and water usage effectiveness; backup generator run hours by category; ongoing full-time equivalent employment by occupation and pay band, with Tasmanian-resident share and positions filled by transfer; local procurement expenditure; and delivery against benefit commitments—adopting European Union definitions where available rather than inventing Tasmanian metrics.

Recommendation 24. That **publication be the default**, with withholding permitted only by written determination of the regulator with reasons published; and that the business-affairs exemption in the *Right to Information Act 2009* be read down for information required to be reported under the Act.

The second limb of that recommendation is not a flourish. Without it the register will be litigated field by field, and the commercial-confidentiality argument that has kept the current arrangements out of public view will simply migrate to the new regime. None of the fields listed is commercially sensitive in any serious sense. The energy and water fields are already reported by operators under Germany’s Energy Efficiency Act and the European Union’s data centre reporting regulation; the employment and procurement fields are what any Tasmanian grant deed already requires of its recipient.

Two further provisions close the loop back to Parliament, which is what Term of Reference 3 asks for.

Recommendation 25. That the Minister table an annual report covering aggregate allocated capacity, remaining declared headroom by region, the compliance status of each regulated facility, and all shortfall charges levied; and that commercial confidentiality not bar the Auditor-General from reporting on allocation decisions or on Government Business Enterprise agreements with regulated facilities, with a performance audit of the first allocation above 100 MW required within two years of it being made.

Recommendation 26. That engagement between a proponent, or any person acting on its behalf, and a Minister, ministerial staff member or the Office of the Coordinator-General be recorded in a published contact register showing date, attendees and subject matter, with the record-keeping obligation resting on the agency rather than the lobbyist.

Part 11—The timing problem, and one interim request

Ireland is the working case study for a small, constrained grid meeting hyperscale demand, and the lesson is not the one usually drawn. Data centres went from 5% of Irish metered electricity in 2015 to 23% in 2025—more than urban households.¹² Ireland imposed an effective moratorium on new Dublin connections in 2021, and consumption *still* grew, because the pipeline was already contracted and existing sites expanded within their allocations. The restriction arrived after the option had been sold.

¹² Central Statistics Office figures reported in the *Irish Times*, 7 July 2026; Commission for Regulation of Utilities, Large Energy Users Connection Policy, December 2025.

The secondary Irish lesson is that a moratorium without a framework is the worst of both worlds: it stops nothing already contracted, creates years of investment uncertainty, and pushes development to weaker grid locations. A pause is not the instrument. An allocation framework is.

For Tasmania the timing is immediate. Hydro expects to decide on 450 MW by the end of 2026; this Committee reports later. If the allocation is made first, the inquiry is advising on a decision already taken, and Tasmania's largest single electricity allocation will have been made under a regime with no published criteria and no statement of reasons. Most of the jurisdictions in the table at Part 2 legislated after the horse had bolted, and are now managing legacy allocations they cannot reopen. Delaware is the exception, and it is the instructive one: it legislated ahead of a proposed facility rather than after a built-out sector. Tasmania is at that same juncture now, and only for a few more months.

Recommendation 27. That the Committee write to Hydro Tasmania and the responsible Minister requesting that no new electricity allocation above 100 MW be finalised until the Committee has reported—or failing that, that the terms of any such allocation be tabled in Parliament at the time it is made. The request is directed at new allocations. It is not directed at the renewal of an existing industrial supply agreement, which should not be delayed by it, and for which tabling of the terms at the time the renewal is made is the appropriate course.

Annexure A—Consolidated recommendations

Framework (ToR 1, 3, 6)

1. A single purpose-built **Major Energy Users Act**, technology-neutral, regulating by connected or contracted electrical load rather than business description.
2. Threshold at **20 MW**, reporting-only tier at 5 MW, with aggregation provisions for related entities, contiguous or integrated sites, staged development over five years, and behind-the-meter arrangements.
3. Application to all facilities above the threshold, existing or new: reporting and register obligations from commencement, allocation conditions on any new allocation, material expansion or renewal of a supply agreement.
4. Statutory definition of **government financial support** capturing every transfer of value or assumption of risk by the State, a GBE, a State-owned company or a council.

Allocation (ToR 1, 3)

5. Annual publication of energy, firm capacity, transmission and water headroom by region and year.
6. Periodic allocation rounds against published, weighted criteria, displacing bilateral negotiation between a GBE and an individual proponent.

7. Allocation function conferred expressly on OTTER or a statutory panel with published membership and reasons—not the Office of the Coordinator-General, which should itself be given statutory duties or separated from allocation.
8. Every allocation tabled within fifteen sitting days with conditions, criteria assessment and reasons; allocations above 100 MW deemed disallowable instruments or automatically referred to a standing committee, with the supply agreement not taking effect until the disallowance period expires.
9. Non-refundable deposits, use-it-or-lose-it milestones, automatic lapse, and disclosure of concurrent applications elsewhere.

Household prices and system security (ToR 1, 3)

10. Hydro firming and supply agreements independently certified against the opportunity cost of water, methodology published, agreement tabled within 30 days.
11. Statutory firewall: no cost from a regulated facility recoverable from non-participating customers, certified annually by OTTER.
12. Curtailability as a condition of allocation and connection: a minimum level of interruptible load and the notice required, set by the regulator and published; the facility to agree by contract to be curtailed ahead of residential, health and emergency load; and an express prohibition on running any generator that burns fuel to avoid a curtailment direction.
13. Statutory run-hour caps and metered reporting for backup generation; fuel derived from native forests excluded, with the source of any biomass to be evidenced.

Bringing new generation online (ToR 1, 3, 6)

14. TRET progress reporting to state, alongside gross generation, the consumption of regulated facilities and the resulting **net position available to other Tasmanian consumers**.
15. 80% of forecast annual consumption from new renewable generation connected to the Tasmanian region of the NEM, moving to shorter-interval matching set by the regulator, with “new” meaning reaching financial close after the application for allocation and not otherwise already committed, PPAs lodged with key terms published, no connection until a stated share of that generation is committed, and a shortfall charge set at the cost of the generation not brought forward (Ireland, CRU connection policy; Delaware, HB 445 s 8066).
16. **Dispatchable generation or storage matched to a defined proportion of import capacity**, sited in Tasmania and available to the system (Ireland, second limb).

Planning and environment (ToR 2, 5)

17. A **Data Storage and Processing Facility** use class in the State Planning Provisions, with standards reaching the actual impacts.
18. Facilities above the threshold prescribed as a **Level 2 activity under Schedule 2 of EMPCA in their own right**, by electrical load and independently of any combustion threshold; with the EPA Board asked first whether the existing fuel-burning category already reached the George Town proposal and, if it did, why the proposal was not referred.

Water (ToR 1, 4)

19. Published water balance as a condition of allocation; potable-fed evaporative cooling prohibited above the threshold except on written determination; the balance to bind ongoing operation.
20. Statutory drought curtailment order placing regulated facilities below human consumption, health services and licensed irrigation.

Benefits (ToR 6)

21. Statutory charge as consideration for the taking of a public resource, on the mineral royalty and Community Support Levy models, with the charging base settled on advice as to section 90: capped, hypothecated in shares fixed by the Act, guaranteed distribution to host councils, a rebate for defined in-state value, and expressly additional to cost recovery and performance charges.
22. Not less than **1% of installed capacity**, or equivalent accelerator-hours, at cost to Tasmanian public institutions, qualifying for the rebate under recommendation 21.

Transparency and oversight (ToR 3, 4, 7)

23. **Statutory public register** with mandatory annual reporting, adopting EU definitions.
24. **Publication as the default**; the *Right to Information Act 2009* business-affairs exemption read down for reportable information.
25. Annual ministerial report tabled; commercial confidentiality not to bar the Auditor-General from reporting on allocation decisions or GBE agreements, with a performance audit of the first allocation above 100 MW required within two years.
26. Published contact register for engagement with Ministers, ministerial staff and the Coordinator-General, with the obligation on the agency.

Interim

27. That the Committee write to Hydro Tasmania and the Minister seeking that no new allocation above 100 MW be finalised before the Committee reports, or failing that that its terms be tabled when made. The request is directed at new allocations, not at the renewal of an existing industrial supply agreement, the terms of any such renewal being tabled when made.
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Notes and sources

Documents referred to in text: the Committee's Terms of Reference of 5 August 2026, and the September 2026 *draft Expectations for Data Centres and AI Infrastructure Developers: Tasmania*, cited by clause.

Comparative material in Part 2 is drawn from the instruments themselves and from Columbia Climate Law Blog, Hogan Lovells, Orrick and Datacenter Dynamics summaries. Where I have not verified a figure against a primary source—Singapore's current allocation quanta, and the present EU reporting cycle—I have described the mechanism rather than citing numbers.

Research and drafting for this submission were carried out alongside Anthropic's Claude models (Opus and Fable), which were used to check claims against primary sources, test the recommendations against the statutory framework, and edit for consistency. Every claim, source and recommendation has been reviewed by me and is adopted as my own; responsibility for any error is mine.

Submission to the Inquiry into AI Data Centres in Tasmania — Annexure A: Consolidated recommendations

To: The Secretary, Standing Committee on Government Administration A, House of Assembly
Email: assemblygaa@parliament.tas.gov.au
From: Kurt Joyce – [REDACTED]; [REDACTED]
Date: 21 September 2026

Annexure A—Consolidated recommendations

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4. Statutory definition of **government financial support** capturing every transfer of value or assumption of risk by the State, a GBE, a State-owned company or a council.

Allocation (ToR 1, 3)

5. Annual publication of energy, firm capacity, transmission and water headroom by region and year.
6. Periodic allocation rounds against published, weighted criteria, displacing bilateral negotiation between a GBE and an individual proponent.
7. Allocation function conferred expressly on OTTER or a statutory panel with published membership and reasons—not the Office of the Coordinator-General, which should itself be given statutory duties or separated from allocation.
8. Every allocation tabled within fifteen sitting days with conditions, criteria assessment and reasons; allocations above 100 MW deemed disallowable instruments or automatically referred to a standing committee, with the supply agreement not taking effect until the disallowance period expires.
9. Non-refundable deposits, use-it-or-lose-it milestones, automatic lapse, and disclosure of concurrent applications elsewhere.

Household prices and system security (ToR 1, 3)

10. Hydro firming and supply agreements independently certified against the opportunity cost of water, methodology published, agreement tabled within 30 days.

11. Statutory firewall: no cost from a regulated facility recoverable from non-participating customers, certified annually by OTTER.
12. Curtailability as a condition of allocation and connection: a minimum level of interruptible load and the notice required, set by the regulator and published; the facility to agree by contract to be curtailed ahead of residential, health and emergency load; and an express prohibition on running any generator that burns fuel to avoid a curtailment direction.
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19. Published water balance as a condition of allocation; potable-fed evaporative cooling prohibited above the threshold except on written determination; the balance to bind ongoing operation.
20. Statutory drought curtailment order placing regulated facilities below human consumption, health services and licensed irrigation.

Benefits (ToR 6)

21. Statutory charge as consideration for the taking of a public resource, on the mineral royalty and Community Support Levy models, with the charging base settled on advice as to section 90: capped, hypothecated in shares fixed by the Act, guaranteed

distribution to host councils, a rebate for defined in-state value, and expressly additional to cost recovery and performance charges.

22. Not less than **1% of installed capacity**, or equivalent accelerator-hours, at cost to Tasmanian public institutions, qualifying for the rebate under recommendation 21.

Transparency and oversight (ToR 3, 4, 7)

23. **Statutory public register** with mandatory annual reporting, adopting EU definitions.
24. **Publication as the default**; the *Right to Information Act 2009* business-affairs exemption read down for reportable information.
25. Annual ministerial report tabled; commercial confidentiality not to bar the Auditor-General from reporting on allocation decisions or GBE agreements, with a performance audit of the first allocation above 100 MW required within two years.
26. Published contact register for engagement with Ministers, ministerial staff and the Coordinator-General, with the obligation on the agency.

Interim

27. That the Committee write to Hydro Tasmania and the Minister seeking that no new allocation above 100 MW be finalised before the Committee reports, or failing that that its terms be tabled when made. The request is directed at new allocations, not at the renewal of an existing industrial supply agreement, the terms of any such renewal being tabled when made.