IN CAMERA – PUBLISHED WITH APPROVAL

THE JOINT SELECT COMMITTEE ON ENERGY MATTERS MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART ON MONDAY 11 MAY 2026.

The Committee met at 9.14 a.m.

IN CAMERA

CHAIR - Now just to explain to you the process. Hansard is down the end of the room. The Hansard recorder will transcribe the evidence, but it is a confidential hearing and so it will be kept confidential with the Committee. It won't be shared and certainly won't be published. Everything you say is covered by parliamentary privilege, despite it being a private session. But if you did speak outside, you can't rely on parliamentary privilege for anything you might say outside the hearing.

I think you have met all the Members.

It will be entirely *in camera* this session.

Do you have any questions before we start at all?

Mr CURTIS - I don't have written notes; I only have my laptop.

CHAIR - You can absolutely use that. You're welcome to make an opening statement. We did write to you with the areas we wanted to look at with you. You are welcome to do that and then we'll have questions from the Committee Members. We know you've got a hard finish at 10.15 a.m.

I will get you both to take the statutory declaration and introduce yourselves.

Mr OLIVER CURTIS, CO-CHIEF EXECUTIVE OFFICER, AND **Mr BEN LOCKERBIE WEBB**, GENERAL COUNSEL, FIRMUS TECHNOLOGIES, WERE CALLED, READ THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - I will invite you to tell us about your business and respond to the questions as much as you want to, and we'll go to further questions.

Mr CURTIS - Oliver Curtis is my name. I'm the co-founder and Co-CEO of Firmus Technologies.

Firstly, thank you for having us today. Firmus has been around since about 2019 when I founded the business. We founded the business on the premise of, in essence, looking at a different way to build a data centre, per se, and we've always been very heavily focused on sustainability and energy optimisation.

And so, we have had a long history in the state. We first came down here in early 2020 and we have continued to prioritise investment in the state here.

Today, I think we're going to be discussing, I suppose, some questions that have arisen in relation to the latest investment that we have made and our future plans in the state. For us,

Tasmania is an area that we have focused on because of its attributes associated with its energy and energy policy, and I guess for where we are today as far as where we started, we do call ourselves a Tasmanian business. We're proudly, predominantly founded in Tasmania and we believe that certainly what we are bringing to the state will have long positive effects both for the economy and for employment.

We acknowledge and understand the importance of openness and transparency in relation to energy, particularly in relation to what we do as far as our industry is concerned.

What I would say is that, I think, if we were to take a lens of positive outcome in relation to what Firmus does, we have effectively been a founding technology business in Tasmania. We've exported that technology to overseas. We've successfully commercialised that technology and from the success of that we are able to afford to come back to Tasmania, invest substantial sums of money into the state, and continue to deliver on what our mission statement is, which is to build the most efficient HPC or AI infrastructure.

I think for us, today is about openness and transparency. We don't have anything to hide in relation to what we're doing here in the state. As evidenced by the fact that I'm sitting here today, I'm very open to anybody's questions or comments in relation to some understanding that is required.

We have, by design, tried to stay out of public perception or media. But obviously lately, particularly around I suppose the industry, we have been unavoidably headlined in various different news outlets. I suppose, as it pertains to the quantum of the size of the investment that we are making into the state, I think it is important that we make sure we are as transparent as possible both with the committee and also publicly with the public.

CHAIR - Just a couple things I can follow up there. So, I appreciate your comments around that should - this is all *in camera* so for all intents and purposes no-one knows you here.

Mr CURTIS - Sure.

CHAIR - And you say it's important to be transparent and open and I think most of us on this side of the table would absolutely agree - all of us, I would expect.

After this transcript becomes available to the committee, would you be willing to have a look at it and see if there is information within it that we could put on our website to say we've met with you?

Mr CURTIS - Yes, and back to you guys that as long as we're okay with it on our side of the table, but unfortunately, it's not just us. There are various other constituents who are involved in this process, being Aurora and Hydro and others. Certainly, from Firmus's point of view, I think why don't we treat this as a closed session; we have the conversation. If you think that there are areas of that that might be of interest, then we are definitely very open to you letting us know what you would like.

CHAIR - We would certainly not publish anything without your consent on this and you will note there'll be a transcript from Aurora that will go up on our website, too.

Mr CURTIS - Yes.

CHAIR - They provided a large amount of evidence in public session and then we went into camera to discuss the more commercially sensitive matters, so there may be an opportunity to do that. But we'll write to you following the hearing, and the transcript becoming available to ask you that.

Mr CURTIS - I think you will find we will be fine with as much information out there as possible.

CHAIR - Sure, it is really helpful for transparency. One of the matters the energy committee is most interested in is the power purchase agreement that you've struck with Aurora. Aurora did speak in broad terms about that in the public session as well. Can I ask, is Aurora the only company in Tasmania, energy provider or retailer, that you contacted and why didn't you go directly to Hydro, or did you?

Mr CURTIS - Why don't I give you the background right back from the beginning of 2019 when I first came down here. In 2019, I was looking at various different sites around Australia and decided to come down to Tasmania and we acquired a site which is where we are today, Killafaddy Road. As part of that process, we obviously had the intention of building a data centre and naturally needed energy in order to do that, so we reached out to a few different retailers just to have conversation, not specifically to Hydro first, and I believe my records show that in February 2020 I received an offer from ERM, one of the other retailers. We started the conversation with ERM.

I went then, as far as our company policy at that point in time, and got three different offers from various different parties. I contacted Aurora, pretty much cold-called Aurora, and had a conversation with them about the intent of what we were trying to build.

CHAIR - This was with the clear expectation of the amount of energy you were requiring at that point?

Mr CURTIS - Originally, yes, which was a 20 megawatt or 30 megawatt load originally. So that was back in 2020 when we were building our research and development facility. So the original back and forth between ERM, or the other parties, ERM, I believe we even contacted Shell and Aurora, and we ended up contracting with Aurora over I think a few months after that, just for the original contract period which was the original 20 megawatts.

Beyond 2020, we had a few times where we increased our load capacity and decreased our load capacity based off what was going on as far as the energy markets were concerned, based off how much activity we were undertaking in the R&D facility itself. Then, obviously, around 2021 we went up to Singapore and built out some - had a large investment from the Singapore state government entity. So we ended up winding back the power requirements that were needed as far as the data centre was concerned because it was pretty much a research and development facility.

We then subsequently received quite a substantial amount of investment to come back to Australia and deploy some further capacity in Australia based off the opportunity that was presented globally as far as these AI factories are concerned.

I believe it was some time in August 2025 when I recontacted with Aurora and commenced some conversations around what we were planning on doing as far as the Launceston site was concerned.

We announced our project Southgate with NVIDIA and our partner CDC in October, I believe, but there was an intent and we came down here with NVIDIA to talk to the various different constituents around our potential investment in the state. It was about August that we commenced the conversation again with Aurora, talked about an increase in potential capacity -

CHAIR - Up to?

Mr CURTIS - Up to, I believe we were talking about 95 megawatts, between 95 and 104 or whatever the final number ended up being - about 104 megawatts I think is the total contract value. But, as my records go, we commenced that conversation again in August and then subsequently fully executed the contract around early March 2026.

CHAIR - It is quite a large load.

Mr CURTIS - Yes.

CHAIR - Some companies would know to go straight to Hydro because ultimately someone's going to buy it from somewhere, mostly from Hydro.

Mr CURTIS - Sure.

CHAIR - So you never went to Hydro at all?

Mr CURTIS - No. We've had many conversations with Hydro over the years. My understanding of the process is that until such time as you're above a 55 megawatt industrial load, then you must buy through a retailer, so because we were doing it as two-stage process, our first chunk, which was 52 megawatts fell on the other side of it, so obviously we were always going to require to continue that relationship with Aurora. But, again, I don't believe that there would be an intent from our business to necessarily go direct to Hydro per se because there are ways in which you have to manage an energy contract of this nature where you have to buy STCs and LGCs and various other things. We pay a margin through to Aurora as a retailer to manage the contractual obligations associated with what is required to procure that sort of size -

CHAIR - So, you are purchasing LGCs up until they finish in 2030?

Mr CURTIS - Yes, well, we're purchasing what is required, based on the government policies.

Mr BAYLEY - Through that contract with Aurora?

Mr CURTIS - Yes. Aurora effectively sits in front of us as the retailer, and my understanding is, I believe it is well documented, that obviously Hydro is back to backing that contract behind Aurora but we don't directly contract with Hydro.

Ms FINLAY - Hi, Janie from Launceston. You talk about government policy. My understanding is that government policy requires for new data, so AI factories, for you to bring on new generation. So for this first period - and, as I understand it from the conversation we had with Aurora, it's a three-year deal with Aurora for up to 104 megawatts - can you confirm that there's no new generation in that contract?

Mr CURTIS - Again, my comment around government policy was around LGCs and STCs, which is a federal government requirement. I believe your commentary there is wavering into, I suppose, the new federal government policy which is around data centre expectations. Is that what you're talking about, Janie?

Ms FINLAY - As I understand it, the state also has a statement out there saying that for any significant loads of data centres they need to bring on new generation.

Mr CURTIS - Again, I can't speak on behalf of the government. I can talk about what we do as a company and what our policy is, which aligns to federal government policy, which is centred around a few core principles. Certainly, what we do, from Firmus's point of view, is we are a dispatchable load by design, which is very important. Being a load of size means that fundamentally there has to be a supply and demand of energy to ensure that you can continue to operate a normalised market, so we are, by design, a dispatchable load. This is something that we've been doing down here in Tasmania for a long time through our frequency control ancillary service provisions. But why that's important is because in being a dispatchable load, Janie, we end up also assisting in bringing on new power generation because, obviously, with the wind, and even if you do solar down here, the more ability for load to be dispatchable, the more stable an energy grid can be.

As far as our policy is concerned, and this goes to the reasoning around us only signing a three-year deal, we are about to announce publicly energy policy, which is an Australia-wide energy policy that we've got, which does go to that point, Janie, around bringing on new generation. We've been working with developers down here, proponents that are well advanced in various different stages of their projects.

CHAIR - Because they're not built they're considered new generation?

Mr CURTIS - Yes, so the expectations are that there is a duality of requirements for a data centre. Naturally, at points in time during the day, there is excess energy, and so, there's going to be three core policies that we come out with.

The first one is dispatchability of our own load, so we commit to certain hours to be dispatchable, which is quite important, above a certain price so that we're not a heavy kind of state on - if it goes above a certain price, we come off.

The second point is, notwithstanding the fact that we're dispatchable, firming capacity is very important. Obviously, Tasmania has great firming capacity because it's got Hydro, but everywhere else around the NEM, firming capacity in batteries and other things are very important, and you couple that with then a commitment that we make to our matching, which takes time, though, Janie. I mean we can't turn on new energy. And so, there will be quite a significant amount of new generation PPAs that will be announced in the coming weeks and months.

CHAIR - Just to be clear, Firmus won't be building new generation. You'll be working with people who are building.

Mr CURTIS - Of course. We provide the load that provides through our customers and ourselves the ability for these projects to become bankable. In becoming bankable then obviously they can build the new generation.

At the moment it's purely just Hydro Tasmania that usually does the offtake because they're usually the only party that uses that energy.

CHAIR - Just going back to Janie's point. You've got a three-year contract with Aurora. Is that because you're looking after three years to have some of these new generators come on?

Mr CURTIS - Yes, we made a conscious decision. There were two offers that were given. It was a request from us what a short-to-medium term contract would look like whilst we were working through the various different proponents and the advanced stages of different projects.

We obviously needed to get access, or we needed to sign an energy contract. We decided the three-year contract was appropriate because basically that would give us sufficient time to then enact our energy policy and support new load which we will require 15-year power deals for, or we will be signing long 10 to 15-year power deals to support those projects.

Ms FINLAY - On that 10 to 15-year power deal, obviously with Marinus coming in the mix, there's a commitment to the state that that will be an on-island generator?

Mr CURTIS - Yes, I mean, I can confirm that the conversations that we're having at the moment are with proponents on-island, although noting that there is an ability to, by design, for both Marinus and Basslink to procure energy from the mainland. But our PPAs at this point in time in relation to what we're discussing are with proponents on-island.

Ms FINLAY - Has the government stepped in at any point and, given your interest in Tasmania and the brand benefit in your IPO of being in Tasmania, has the government required that that generation is on-island?

Mr CURTIS - Brand benefit for an IPO is not where we're going here because I don't believe that that's of any relevance because it's not what we're doing.

Ms FINLAY - Its helpful for Tassie's reputation in renewable energy.

Mr CURTIS - In what way. In what aspect?

Ms FINLAY - Well, Tasmania's got what the world wants and you're here because of that. You mentioned in your introduction that there are benefits in being here. It's a simple statement, but I think it's true.

Mr CURTIS - Yes, Tasmania is a proportion of our stated 3.3 gigawatts across the mainland. At this point in time Tasmania is very important to us. We've called ourselves a Tasmanian business, so we will continue to invest in Tasmania for as long as the state wants us to invest in here. Otherwise, there are many options on the mainland.

Ms FINLAY - Are you fully funded for this first stage of the project up to these three years, and with the 104 megawatts? Is this project, the physical project, fully funded or are you still seeking investment for that?

Mr CURTIS - No, it's fully funded, Janie.

Mr BAYLEY - Can I ask, in terms of data, in terms of that load aspiration and plans, I think for the Launceston facility it was going to be, stage one, 45 megawatts, then another 45, bringing it up to 90. You've signed a 104-megawatt agreement. I guess just spitballing 10 to 15 years ahead, in terms of the power deals you're wanting to seek, what will you be looking for there? Are you looking to go beyond 104 megawatts per year?

Mr CURTIS - Yes, we publicly stated this, and there are records available. We own two other sites in Tasmania, one in Wesley Vale and the second one up in George Town. Our intent is definitely to - as long as the state wants us here - to continue to invest. As it pertains to the first one, it's about a $US3 billion investment that we've made already into the state, and if George Town goes ahead, that'll be about another $US7 billion that we would be investing and about another $US1 billion in Wesley Vale.

Mr BAYLEY - What sort of power load would you require for this?

Mr CURTIS - For George Town, it's a little under 300 megawatts and then for Wesley Vale, it's around 50 megawatts.

Ms FINLAY - Sorry, for clarification the $US3 billion, that's fully funded?

Mr CURTIS - Yes Janie, I've mentioned it once before and I'll mention it again. It is fully funded.

Ms FINLAY - I'm just confirming the details.

Mr BAYLEY - Do you think you'll see a need, with that kind of load going forward, to be talking to the state-owned entities as well or do you think you can secure a power purchase agreement for all of that 300 plus 50 plus 100, I suppose?

Mr CURTIS - Yeah, no, I mean it's very clear that we will be, as I said, announcing our energy policy, which involves us requiring the ability to bring on new generation to support that size of load increase and that's definitely our intent. In relation to the state-owned side of things, I think there's about 80 per cent of total generation on-island is state owned at this point in time.

Mr BAYLEY - But, in terms of the power purchase agreements, you're looking at, you're mainly looking to the private sector to sort of tick those boxes around new generation content?

Mr CURTIS - No, I think you'll find that - I mean Tas Hydro has stated that they want to be a firming business; i.e. they want to use Hydro assets to firm new generation that is brought online. So, I think you'll find that we would likely work with their policy, which is around balancing both whatever new generation might come online with firm capacity that Hydro would provide.

Mr BAYLEY - I have some others but move on if you want to talk on contracts.

CHAIR - Is there anything else on contracts?

Mr BAYLEY - I wanted to ask about announcements and announcements of the previous one, but if there's someone else in the meantime?

CHAIR - That's all right, you go.

Mr BAYLEY - You mentioned that the contract was signed in early March?

Mr CURTIS - Yep.

Mr BAYLEY - And there was a joint release with the government, or with Aurora, sorry, on the 25th. You announced it on the 24th on ABC radio. Can you talk us through the sort of conversations and how was that strategy arranged with Aurora? You talked a lot about openness and transparency -

Mr CURTIS - Yes.

Mr BAYLEY - and we asked questions on this of Aurora as well.

Mr CURTIS - Yes, absolutely.

Mr BAYLEY - I'm interested in why it took three weeks to announce and, I guess, why you led the announcement as opposed to some kind of joint statement as happened before.

Mr CURTIS - Sure. For the record, I didn't lead any announcement. I, every now and then get asked by ABC radio to do an interview, of which I was asked to do an interview to which I was asked whether I had signed an energy contract to which I answered yes. There was no official announcement there.

Mr BAYLEY - Yeah, fair enough.

Mr CURTIS - And then, off the back of that, it caused quite substantial media attention.

CHAIR - Speculation.

Mr CURTIS - Yeah, media attention, right? So, honestly, then Aurora and us, I mean, we're a private company. We don't have to announce anything.

Mr BAYLEY - No, I appreciate that. I'm trying to understand the sequence.

Mr CURTIS - I'll be honest. We thought it was probably blown out of proportion to what it actually was, in terms of, it then required a response, which we decided to make a statement about jointly.

Mr BAYLEY - That was the joint media release?

Mr CURTIS - Which was the joint media release. So, really, there was nothing meant to be - like, I wasn't getting ahead of anybody or anything like that. It was simply I had a phone call from my media division saying ABC Radio was interested in an interview because they wanted to understand what was going on in Launceston. I had an interview and happened to mention that we'd signed a contract and, next thing you know, we're here.

Mr BAYLEY - So, presumably, Aurora is a public company; you're interested in openness and transparency; you signed a contract in early March. What were the conversations about, how do we make this public? What was the plan? What was going to be the plan? I'm interested in this particularly from an Aurora perspective.

Mr CURTIS - To be honest, that process took about seven or eight months to negotiate and sign an agreement. When we signed the agreement, it was ordinary course of business, I think for them, and ordinary course of business for us, so we didn't really discuss the need to put an announcement out. I wasn't trying to promote it or anything of the such. As I said, purely, I was asked to do an interview with the ABC Radio.

CHAIR - It is a natural question though, isn't it? Here's a big company with a huge energy load coming into the state.

Mr CURTIS - I agree with that. In hindsight, yes, sure.

CHAIR - There are very few people who can provide it.

Mr BAYLEY - And other existing companies had failed to secure a load.

Mr CURTIS - I think we could probably address that in some way, shape or form because I think that, certainly, as pertains to what we do and particularly as Firmus, we're paying fair market value for energy, right? It's statement of fact that you either sell it at a price that works for an industrial load in on-island or you export it, right? I didn't really think it would be a major concern nor really all that much, I guess, conjecture, if I'm able to pay fair market value for energy, then it's better to create new jobs and industry on-island.

Mr BAYLEY - To be fair, that's not something that - was that publicly disclosed at the time? I'm not sure whether -

Mr CURTIS - What do you mean?

Mr BAYLEY - The fair market. There was a lot of speculation around price. I know we know it is now. We've heard from Aurora.

Mr CURTIS - Well, no. If you listen to the ABC Radio, I think I made a pretty clear statement that I am a fair market buyer of energy. I made that numerous times. That was absolutely the position because it is 100 per cent a statement of fact.

Mr BAYLEY - Thank you.

Ms FINLAY - Can I ask a question about the jobs element to that?

Mr CURTIS - Sure.

Ms FINLAY - Ongoing, post construction, what are the number of jobs on site? I know that's in the public, but what is your position about the direct and indirect benefit? You mentioned in your opening that you bring economic and employment benefit. What do you see as the employment and economic benefit of this initial $3 billion investment?

Mr CURTIS - Sure. Obviously, there's quite a substantial number of jobs created during the construction period. I think we've stated it but we'll state it again, I think there's modelled somewhere in the order of about 1100 people peak at site, is my understanding of what has been modelled. I haven't done a big fancy McKinsey model to know what the flow-on effect is out to all different industries. I do know that the pubs are full and it's a pretty good situation in Launceston at the moment, so that's something that -

Ms FINLAY - When you say, 'the pubs are full,' are they coming from elsewhere? What do you mean by that?

Mr CURTIS - As it pertains to the actual site. There are people who come to the site every day. We have a big car park there that's full of cars, so I'm assuming that they're local parties. Then there are buses that bring people back in and around Launceston.

As it pertains to the numbers as far as ongoing employment is concerned, we say that roughly, per megawatts, it's about a half FTE. It's about 50 people, I guess full time for -

CHAIR - That's in full operation?

Mr CURTIS - In full operation, but we pretty much go straight to full operations in day one. So, I think, Janie, as it pertains specifically to the factory itself the 100 megawatts, or 80 or 90 megawatts, is for roughly 50 people. But, again, the ancillary job creation around the industry coming, and new industry being made, we believe there are going to be quite substantial benefits there for surrounding industries.

Ms FINLAY - When you say you haven't done a fancy McKinsey sort of model. You've would've done some internal modelling. Has there been any third-party modelling of a significant multibillion-dollar investment? It wouldn't be unusual for that to be part of your understood narrative. Has there been any third-party modelling of that?

Mr CURTIS - No, Janie, there hasn't.

Ms FINLAY - Obviously, as some feedback, it is actually useful in these sorts of conversations, and particularly when we get it to a public narrative, to have some confirmed modelling.

Mr CURTIS - I totally agree. We are actually doing that at the moment. Again, we're a private company; we simply didn't commission that report. We are continuing to work on pulling something together in relation to that but it's -

Ms FINLAY - A private company implies that you're small, and that's unnecessary with a $3 billion investment, but it's good to hear that you're doing it. Who are you likely to engage to do that work?

Mr CURTIS - I will have to check with the team and come back to you on who's actually engaged to do that, sorry. I don't have that information in front of me.

Ms FINLAY - Again, it would make sense, for public confidence, that a top-tier company for this level of investment could confirm those sorts of comments around new and ancillary and benefit and economic sort of - the community, I suppose, would be less likely to ask questions if that was available.

Mr CURTIS - Sure. We lead with action and just employ people, rather than spend money on fancy reports.

Ms FINLAY - You can understand with an investment of this scale, using the amount of energy that you're using, making the sort of public comments that you're making, I get that. Jobs and action are important, but to the Tasmanian community, understanding confidence and comfort is also important.

Mr CURTIS - Totally agree. No, I take that on board, Janie.

Ms FINLAY - Thank you. With the construction numbers, you talked about people bussing in. What sort of numbers do you have bussing in and from what sort of locations?

Mr CURTIS - Again, we're not the direct prime contractor - Hansen Yuncken is the actual contractor. I would probably prefer to take that on notice and come back to you on that, because I don't know. It does change quite often depending on where we're at. At the moment I do know obviously we're slab pouring. I think there are three different concreting teams, and some of them, we do have a lot of people who come up for the week from Hobart. I think there's a combination of various different local and Hobart-based workforce that are coming.

CHAIR - It's a shame you're not using the north-west. That's where a lot of the skills are in construction.

Mr CURTIS - Yes, I think - well, BridgePro, I know, is from there.

CHAIR - BridgePro is engaged, yes?

Mr CURTIS - They've got a very large contract with us. We've got three rigs on site. We brought another couple of rigs in from mainland for them to do that. They're a big part of the job.

Ms FINLAY - Can I ask another quick energy question? In terms of those two other sites, Wesley Vale and George Town, given it took seven to nine months for the agreement with Aurora, are you in early conversations around energy on either of those sites?

Mr CURTIS - Yes, absolutely, Janie. We absolutely are.

Ms FINLAY - We did ask Aurora the same question and they implied that those conversations weren't live. And so, understanding Tasmania's sort of benefit of this in terms of procuring energy from Tasmania, what dates do you imagine work commencing on those sites? Have you got that in a forward projection?

Mr CURTIS - Again, we need to obviously wait for approvals through which I believe we're going through that process with George Town Council at the moment. So, I would be hoping that we could, depending on - not pre-empting approvals being granted - but should approvals be granted, I believe we would be looking to commence certainly early works on those sites over the coming months, would be my guess.

Ms FINLAY - Right, okay. Are you hoping that you will be able to extend your relationship with Aurora into those sites, or would it be an alternate on island - with Aurora?

Mr CURTIS - Again, Aurora is, at that level, really just a contract kind of facilitator, manager, I guess. Obviously, that will be, I guess, what I'd call a tripartite agreement, which would naturally have Hydro. We are having those conversations at this point in time around what that looks like.

Ms FINLAY - You mentioned before the 300 megawatts and 50. Would you be looking to contract early works at a lower number of megawatts or are you looking to enter into a 300-megawatt deal with Aurora for the George Town site?

Mr CURTIS - We're looking at all the different options at this point in time, for making sure that this is done in a way that is very clear around what can be done, both with what energy is available as well as what we can bring online.

Ms FINLAY - This is a genuine question, so don't take this the wrong way, but is the George Town project, subject to approvals, fully funded also?

Mr CURTIS - Well, we have the debt facility. It is close to fully funded, yes.

CHAIR - Can I just go to another area for a bit?

Mr CURTIS - Sorry, Janie, just on that. We have a very large amount of equity that we sit on, [redacted], and we have publicly announced our $US10 billion debt funding facility from Blackstone. So, I'm not obfuscating that answer, but we haven't actually pointed specifically funding to each project. I'm building in Victoria, we have projects in South Australia and in New South Wales as well. Obviously, it's all down to, I guess, priority of capital comes to priority of projects that are advanced enough to have that capital deployed - which takes into account energy and approvals.

CHAIR - With these, obviously 300 megawatts is a large load, and even 50 up in the north-west area. Are you in discussions with TasNetworks about the capacity of the grid?

Mr CURTIS - Absolutely.

CHAIR - Are upgrades needed, particularly up around the George Town area? I mean, the North West Transmission Developments might deal with Wesley Vale, but -

Mr CURTIS - Yes. I can confirm our Wesley Vale development will include an upgrade of that substation that is on our site.

CHAIR - That's your cost?

Mr CURTIS - Of course it is. We're a transmission-connected load. As such, two things happen: one, we actually assist in bringing down the cost for transmission, because, by my understanding, certainly when we connected even our 20-megawatt load, I believe we were the first transmission-connected load for 30 years in Tasmania. That's a good thing, though, because as all of this new transmission upgrade is done, that's generally passed across to mums and dads, right?

CHAIR - Not generally - it's entirely passed across, yes.

Mr CURTIS - Exactly. Well, and industrial load though, right? So, a very large, new industrial load, we pick up a very large share of that through our TOU, through our transmission charges. So, we actually assist in that.

CHAIR - Which is Time of Use charges - services, sorry.

Mr CURTIS - Yes, correct. Certainly, all of our - I mean, George Town will be building a large substation on our land, but again, one of the things about choosing both those areas was they'd had significant investment, or had investment, into the transmission network, but -

CHAIR - So, the transmission network itself that services George Town area doesn't need additional, from your knowledge -

Mr CURTIS - I can't speak on behalf of TasNetworks. What I can tell you is that, as it pertains to our site there, we will be building a very large new substation on our land and that's going to be fed from the George Town substation. There are big transmission lines that go straight through our site, so we will basically cut straight in off that one, which comes up and down.

Ms FINLAY - Can you remind me which site that is?

Mr CURTIS - That's the old Gunns site, Janie.

CHAIR - Did you have any interaction at all with the Office of the Coordinator-General?

Mr CURTIS - Since 2019 when I first came down here, I went and met with John. Ever since then, I guess, we've kept in contact as far as me keeping his office abreast of the developments of what we were doing. So yes, we do speak to them quite often.

CHAIR - In terms of providing support or information or advice, what's that relationship been? You keep them in the loop, but what does that mean?

Mr CURTIS - From my point of view, being a central point of contact, for me to kind of give updates and say, 'This is what we're doing, this is what we're planning on doing.' If there is advice sought, occasionally I might ask, 'Who should I speak to? What should I do?' in certain situations. But nothing more than just general conversation around, really, what we are doing as far as the investment into the state. Again, my understanding of that office is that it's there to assist new industry or industry itself in navigating its way through -

CHAIR - Did the Coordinator-General have any role in the negotiation of the purchase agreement?

Mr CURTIS - No, absolutely not.

Mr BAYLEY - Can I ask about water?

Mr CURTIS - Yes, of course.

Mr BAYLEY - We've, or a previous iteration of the Committee's [inaudible], and we know there are different technologies whether its water cooled or oil cooled. What are you leaning towards? It looked like - is that resolved?

Mr CURTIS - Yes, absolutely. Our design, certainly for Tasmania - again, all of our new projects in Australia are what's called direct-to-chip liquid cooling; so, it's two loops of water. The primary loop is a water glycol and the secondary loop is secondary heat exchange, which is water.

We undertake what's called an adiabatic cooling system. And so, over 99 per cent of the time it's just a closed-loop water system. I've had it modelled because I thought it might come up today. Generally, if it's 27 degrees and above, we work in what's called wet mode, which would require water, which is just spraying water under the coils. It's certainly an intention of ours to continue to minimise water use. It's about 70 hours a year of water that we would use.

Mr BAYLEY - To deal with the 27 degree situation?

Mr CURTIS - Yes.

Mr BAYLEY - Do you need particular water contracts?

Mr CURTIS - We have a TasWater contract on that site.

Mr BAYLEY - You do? What's -

Mr CURTIS - We're actually working with TasWater at the moment on - there's a multimillion-dollar upgrade that we're working on, which will actually capture - the statistic that was given to me is that more rain falls on our roof than we will use each year, basically. And so, we're investing into a water reticulation process with that.

Mr BAYLEY - What can you tell us about the TasWater contractual arrangements?

Mr CURTIS - Again, back in 2020 we entered into an arrangement with TasWater around water allocation for our data centre at Killafaddy Road. For this one, we -

Mr BAYLEY - What sort of volume? How's that established?

Mr CURTIS - I don't have the exact volume. All I would say is that site was using evaporative cooling. I don't know if you remember, but there was what some people thought were plumes of smoke coming out of our original data centre, but that's just evaporative cooling towers. We don't use evaporative cooling towers. We decided to use adiabatic towers to save water, quite a substantial amount.

CHAIR - What are they?

Mr CURTIS - There's two different types of secondary coolings. One is evaporative cooling, which is cheaper.

CHAIR - What's the one you're using?

Mr CURTIS - Adiabatic towers.

CHAIR - How do you spell that?

Mr WEBB - A-D-A-B-A-I-T-I-C, or something. We'll come back to it.

CHAIR - How does it work?

Mr CURTIS - Basically, instead of one big cooling tower that's spraying water that's evaporating. This is basically a closed loop. So, you have more surface area and you're using basically cold air to go over the coils.

Mr WEBB - A giant radiator.

Mr CURTIS - Yeah, it's a big giant radiator, like your radiator for your car, basically.

Mr BAYLEY - Then spray water onto that?

Mr CURTIS - Then, if it gets over a certain temperature, you spray some water onto the coils to keep them cooler to cool the water back down.

Mr BAYLEY - Then inside those coils is that water, or is that oil?

Mr CURTIS - Water.

Mr BAYLEY - That's water as well. So, can you take that on notice the volumes that you're requiring for the three facilities?

Mr CURTIS - We can, absolutely.

Mr BAYLEY - And that's always through TasWater as opposed to Tas Irrigation, or?

Mr CURTIS - Again, certainly as it pertains to Launceston, the water permit is with TasWater.

Mr BAYLEY - Right. Have you got conversations regarding George Town and Wesley Vale. Have you got conversations -

Mr CURTIS - With TasWater.

Mr BAYLEY - with TI or with TasWater?

Mr CURTIS - Yes.

Mr BAYLEY - Just TasWater?

Mr CURTIS - Yes.

CHAIR - Even at Wesley Vale?

Mr CURTIS - Wesley Vale, I think it might be with Irrigation. No, no, it's not. Anyway, I'll take that on notice.

CHAIR - You might need to confirm that because there is an irrigation scheme in Wesley Vale.

Mr CURTIS - Yes, there is. There is that big tower just next to our site. But it is really important. I mean, again, as it pertains to our kind of general design, we've spent more money in doing the design this way. It's far more capital intensive to do this water, kind of closed-loop system that we use. A slight trade-off of energy as well, but it's something that we do at all our other sites.

Mr BAYLEY - And you would say, or I put it to you - is it at market rates, the supply with TasWater?

Mr CURTIS - I would assume absolutely so.

Mr WEBB - That would just be standard. An industrial trade connection and a trade waste connection.

CHAIR - I don't think TasWater does special deals for anybody, do they?

I've said it a few times during the session about this business being a less energy-intensive data centre.

Mr CURTIS - Yes.

CHAIR - It may be revealing trade secrets, I don't know, but if you can explain why that's the case because the general public thinks they are energy-hungry monsters.

Mr CURTIS - I explain it this way and, please, if I'm sounding silly, just work with me here for a second. A data centre, as it's traditionally known in Australia, is what I refer to as a hotel. It's a big fancy bit of kit that's got, not knowing who's going to walk in and rent it out because they are a real estate developer that basically develops a site that hopes to lease out those rooms effectively to lots of different customers. That's a traditional data centre.

Mr BAYLEY - Data rooms.

Mr CURTIS - Yes, data centre, data storage centre is what they were originally; so, they're to store data, right. Generally, that was one of the reasons why Tasmania didn't get much in the first wave because, generally, they've been built in metropolitan locations because it's to host Netflix and other things, right? Not very high value, but expensive, does create jobs, but a kind of stock standard, as I say, hotel.

We build factories. So, what we do is we go and buy larger amounts of land, build single-storey buildings, put our computers in and, because we have more land, we can plant

equipment on the ground and what that does is that gives us an ability to optimise for the type of computers that we end up owning. So again, I'm not a data centre developer. I don't build a data centre to go and rent that out to other people. We build a factory. We own the land, we own the physical factory floor, but, importantly, we own the computers, and the computers are what derive the economic output.

So, if you had an Australian data centre company come down, they'd be sitting here saying, well, I'm going to build a data centre and then hope somebody's going to lease that out. Whereas, we come down and we are a factory because we own the computers and we generate our revenue from renting out the computers basically.

CHAIR - So why is it more energy efficient? That was the question.

Mr CURTIS - Energy-efficient wise, is because it's customised to the specific computers that we put in.

CHAIR - Because you know what is going in as opposed to you don't know who the customer might be?

Mr CURTIS - Exactly, it's not a hotel. If you go into a hotel room, you might like it 20 degrees, I might like a 25 degrees, right?

CHAIR - Other way round I reckon.

Mr CURTIS - The hotel has to cater for everybody and so the design is much more expensive and much less efficient.

Mr BAYLEY - Can I try to unpack that a little bit more because I'm struggling with your analogy. So, the hotel, you provide the floor or the room, and then someone else comes in and installs the computers and does -

Mr CURTIS - Yes, exactly. And, funnily enough, the data centre guys, they don't generally write long-term energy contracts either because the user of the energy is, in fact, the guys that own the computers. That's where there's a bit of a mismatch.

Mr BAYLEY - They basically just create the shell.

Mr CURTIS - Yes, it's a fantastic business, but, as I said, it is a bit like a hotel.

Mr WEBB - The difference in the compute - the compute that we're installing is the most dense energy intensive compute in the world, so it's the highest energy drawing. We make sure that what we put in there is optimised for that particular compute, rather than -

Mr CURTIS - Yeah, I'll give you an anecdote because I think this is important. We are - a Victorian project that we're just handing over to a customer at the moment, so 60,000 square metre building, four levels high, 42 megawatts. We are doing the exact same thing. If you think in Launceston we have two buildings, 7800 square metres for our same 42 megawatts. It gives you an example of the efficiencies; if you know what you're building, the type of compute that we have is much more specific. It's the NVIDIA stuff. It's cheaper, more efficient, better output.

CHAIR - Where are the computers made?

Mr CURTIS - In America. Well, they're NVIDIA computers. So, NVIDIA is a very large - the largest company in the world - American technology. They're manufactured in various different places around the world, assembled, and then we buy them, import them into Australia and install them.

Ms FINLAY - I was going to ask about the water then I have a question about St Leonards. So, George Town, there's been a long-held project called the Tamar Valley Irrigation Scheme, which has relied on water needing to get into Bell Bay for industrial use, and you did mention Tas Irrigation at some point, but you weren't sure which project it was, whether it was Wesley Vale or not. Are you in discussions with Tas Irrigation around the George Town site?

Mr CURTIS - Can I take that on notice? I'd have to check with the project team. I don't believe we are, but again, I don't want to talk over them if they are.

Ms FINLAY - Thank you. If you could take it on notice that would be great.

For the Launceston site, what's your date of completion and full commissioning? When are you expecting that to be?

Mr CURTIS - At the moment, the construction schedule permits, subject to weather and whatnot, we should be completed that facility around November this year. Compute will follow, so we are expecting full commissioning in Q1 2027, with compute.

Mr BAYLEY - When was that, sorry?

Mr CURTIS - Q1 2027.

Ms FINLAY - You would commence at the full 104 megawatts or are you looking at ramping it up over time?

Mr CURTIS - The way our contract works is that we've got an ability to draw 52 megawatts first. I mean, it's a 100-megawatt site. I don't know if you're familiar, but we literally have two buildings. We will kind of bring on one building and then we'll bring the second building on post that. It's referred to as two stages, but it's one project.

Ms FINLAY - Yep. Cool.

CHAIR - Anyone else? We're pressed for time.

Mr BAYLEY - Just one quick question. We did meet with another data centre provider or developer or speculator around colocation with renewable energy. They were talking about locating onsite next to a wind farm, being able to create efficiencies there. Is that something you're doing elsewhere or looked at here, or would you prefer just the sort of dispatchable power and -

Mr CURTIS - Again, colocation is a concept that has a level of efficiencies, because you might only have to build one large substation and share that. It's more referring to behind-

the-metre strategy. We are taking a slightly different view, whereby we're building or procuring land in renewable energy zones where there are already designated transmission studies that are done to ensure that there are already upgrades done to transmission networks or planned upgrades. But our strategy at this point in time is not to be behind the metre, because we want to become a grid asset. It's really important, it is quite a big asset to have a good-sized load sitting on the grid rather than sitting behind the grid.

CHAIR - Any other questions?

Ms FINLAY - Can you unpack that for me a bit more? Is that a greater asset for you as a business or for the state as an energy system?

Mr CURTIS - No, as an energy system. Again, you have to go to supply and demand, right? Obviously to bring on new generation, you can't just blindly bring on new generation without having demand, otherwise you end up in a situation where you have an over-supply, which is a problem. Obviously, having the ability to buy energy at a fair market price stimulates the new generation to be built, but at the same time it means that at periods of time at which you need to come off because of high stress on the grid, that's a very big asset because we, by design, dispatch and come off the grid completely.

Mr BAYLEY - Can I ask about that? You talked about it being a dispatchable load and therefore there's that flexibility on the demand side. How do you do that if you have contracts in place? If you have a demand on your services that doesn't coincide with a period when you can afford to wind things back? How do you get those things to talk to each other?

CHAIR - The booking-in system at the airport when the internet goes down.

Mr CURTIS - No, no, no, because basically there's - we actually have patents - and this is what we were doing down here - we have what's called a frequency control ancillary services provision, where we're following grid frequency, so the computing load goes up and down based off an algorithm that we have.

Mr BAYLEY - So, you stage and time things accordingly?

Mr CURTIS - Yes, also, importantly, we build our data centres with substantial backup generation.

Mr BAYLEY - Batteries or generation?

Mr CURTIS - Batteries and diesel generators. You have to have them in certain circumstances, but a big chunk of it is batteries. That basically means, by design, we can come off grid and have no net effect on our computing load.

I will say that our customers are the biggest technology companies in the world and we are working with them. Very importantly, our social licence to operate for Firmus is very important, but our social licence to operate in conjunction with our customers is as important. So there is continued engineering going on between us and our customers on dispatchability of their load.

CHAIR - How big is your battery? How long will that keep you going if you have to come off?

Mr CURTIS - Well, our battery that's inside our data centre is not very big - it's only about 10 minutes, then it goes on to diesel generations. But as part of this new energy policy that we will be publicly announcing, there will be quite a substantial investment into large-scale battery.

CHAIR - With an ambition to last how long?

Mr CURTIS - Well, generally speaking, I think you'll find that our policy will be around four hours, so that you can manage the peak controllers.

CHAIR - So, obviously the battery charges up as well as -

Mr CURTIS - Dispatches, yes.

CHAIR - That's included in your energy contract?

Mr CURTIS - No, so that's -

CHAIR - How does your battery charge up after you've drawn down on it?

Mr CURTIS - We just draw from the grid. Generally, when prices are low -

CHAIR - Yes, but that's included the anticipated size of your battery?

Mr CURTIS - Again, we haven't announced the battery yet. Our Aurora contract has nothing to do with the battery.

CHAIR - Right. So that'll be later?

Mr CURTIS - Yes. So, again, three key policies: dispatchable load, bring firming capacity - but Tasmania's not as important but we will still bring firming capacity to Tasmania - and back new long-term generation.

Mr WEBB - Not for the three-year Aurora contract.

CHAIR - Yes, so that'll be with the new provider or new supplier?

Mr CURTIS -Yes.

Mr BAYLEY - So the firming capacity is through the battery and the generators?

Uknown - Yeah.

CHAIR - We're nearly out of time. Is there anything you wanted to say in closing that you think would be helpful for the Committee or that you want to clarify further?

Mr CURTIS - No, I think we've covered most of it. Again, my desire to be open is a genuine desire. I believe you guys are aware of the price at which we are buying energy, or somewhere in the order of that?

Ms FINLAY - No, but is that something you want to share?

Mr CURTIS - Well, I don't know. Was there a position on this? Okay, why don't I say this: the marginal cost to build new generation is somewhere in the order of $70 to $90 depending on what it is, and I can confirm we're paying more than that. It's going to be our fourth pillar. I talked to you about three pillars of the energy policy. The fourth pillar is going to be being pretty public about where we're buying energy, because we are very passionate about saying we're a responsible party in this energy mix and, in fact, we're bringing the demand profile at a price that's incentivising new generation to come on. Then when that new generation comes on, if we're paying more than that, then naturally it has a downward effect on wholesale prices, because we're bringing more generation on at lower prices. So we become a stimulant; I guess, of the ability to bring on more generation.

CHAIR - Some could argue, then, that it's better to bring on businesses like yours than some of the other MIs that have much cheaper deals.

Mr CURTIS - I don't want to get into that topic, but I think that, yeah, you have to look at the flow-on effect as well.

Ms FINLAY - And that's where - you said you'll take a few things on notice. I think you said that you'll take on that external modelling.

Mr CURTIS - Job creation? Yes, I really like that idea, Janie.

Ms FINLAY - I would love that to be two things: (1) Who are you bringing on, and for your best interests it'll make sense that it's a top-tier company, and (2) When you've done the modelling, could you send it to me?

Mr CURTIS - Yes, absolutely. Again, we really want to be -

CHAIR - One would think that would be something that you would publicise.

Mr CURTIS - Absolutely. And as I said, we're about to publicly announce our energy policy. It's going to be a downloadable document on our website that's going to articulate exactly what I've just given to you guys with a bit more detail and a couple of other things as pertains to the mainland. But we are going to be as transparent as anybody in saying 'this is what we do, how we do it, why we're doing it and what sort of pricing we're doing it', because, you know, hey, I've learned from this experience. Obviously, it's a very sensitive topic. I certainly think that it is important - I'll just flow this into closing remarks - it is important, my understanding of the charter of the original investment into Hydro is to support new industry in Tasmania.

CHAIR - One of the things.

Mr CURTIS - One of the many things. Also importantly, I believe that there is a substantial opportunity certainly as pertains to what we're doing down here that does have

lasting benefit because not only the investment in the data centres that we're making and the facilities that we're making, but the flow-on effect of the new-generation projects creates many more jobs, Janie, than just the data centre.

Ms FINLAY - That's only true if someone else says it. So, bring that on fast.

Mr CURTIS - I get that. I'll take that on. We probably need to be a bit more public and that helps you guys, I guess, a little bit more in relation to that. Because, again, I think that it is important to prioritise thinking about the next 50 years. We've had a fantastic time down here for the last 50 to 60 years, but industry is ageing, and I think we've got to think about where the next wave comes from. I mean, genuinely, this is the next wave. It's going to create big investment into the state.

Janie, I think you're right. What I've got to do is commission a more wide-ranging number because I will note - I think Microsoft came down - they said there was for their 25 billion Australian dollars, which is just shy of about the amount that we're spending down here. I think they said there was something like 33,000 jobs or something created.

CHAIR - That's Microsoft saying that.

Mr CURTIS - I know, I know, I know, but that's what I'm saying. I'll do a proper job and give everybody the right information.

CHAIR - Thank you for your time. We need to finish up. We will write to you with the questions on notice. I know you've taken a note of them, but we'll write to you formally with that and also send you a copy of the transcript if you're happy with that to have a look at it. There's quite a bit of information there that doesn't reveal commercially sensitive details.

Mr CURTIS - Absolutely.

CHAIR - For everyone it would be helpful to have the opportunity to understand that.

Mr CURTIS - I never asked you a question. Do you mind if I ask one question?

Just the charter of this Committee. Is it to -?

CHAIR - It's quite broad. We've got really broad terms of reference. It was originally established a couple of years ago, probably three years ago now. And we've had a couple of elections and parliaments prorogued. We've had a revolving door of Members. We're hoping to report very soon and wrap this up. It's a select committee, not a standing committee, so it has a particular purpose. Our terms of reference are on our website, if you want to have a look at them, but they are quite broad looking at the future of energy. There are obviously issues regarding Marinus Link and North West Transmission Developments as well as the opportunities and challenges for our state-owned companies. And this is where this fits right in because you've got to deal with Aurora, which is a significant deal. Sounds like it's only three years.

Mr CURTIS - It will be longer.

CHAIR - Anyway, that's where you fit into it because that's all part of the picture. You can have a look on our website.

The terms of reference were drafted many years ago and are not that helpful to our reporting structure. That said, thank you for your time.

Ms FINLAY - On that -

CHAIR - We're going to finish up, Janie.

Mr CURTIS - Janie, are you Launceston-based? Next time I'm around maybe we can catch a coffee or something.

Ms FINLAY - Sounds good, cheers.

CHAIR - Thanks for your time and thanks for coming down.

Mr CURTIS - No, thank you.

The witnesses withdrew.

The Committee adjourned at 10.18 a.m.