

Submission to the Inquiry into AI Data Centres in Tasmania

New demand, new Tasmanian renewable generation

Submitted by: Westcoast Renewable Energy

Authorised representative: Stephen Casey, Chief Executive

Date: 21 September 2026

WRE's perspective

The most valuable energy outcome from new data-centre demand is not simply access to Tasmania's existing electricity supply. It is the direct and indirect opportunities created through the investment and construction of new generation in Tasmania.

Why WRE is making this submission

The inquiry is considering the resource implications of a new class of large electricity user. WRE's interest is the other side of that equation: WRE seeks to add significant new renewable energy to the Tasmanian power system through wind based generation, strengthening and diversifying the existing Hydro Tasmania power system.

Tasmania's existing hydro system is an extraordinary economic asset, but new industrial demand should not be treated only as a claim on electricity that is already available. Large, long-duration loads can support investment in new generation where they are matched with credible long-term energy arrangements.

With the correct balance, data center demand for electricity can become the commercial foundation for new Tasmanian renewable electricity supply.

This point is of the highest importance to WRE and matters because large renewable projects are capital intensive. They are built when investors can see a credible path to revenue over many years, balancing this risk. A substantial data-centre customer can help provide that revenue certainty and in WRE's case, the Whaleback Ridge project is designed to be developed in stages as demand materialises.

The opportunity: WRE Perspectives

A large new electricity customer can either compete for the energy Tasmania already has, or help create and underpin an investment case for new renewable energy Tasmania does not yet have. This underwriting starts an economic and social flywheel of employment, migration and supporting industry development as the State experience with the progressive phases of the Hydro Tasmania schemes.

WRE's believes that as a State level, evaluation should test data-centre proposals against an alternate outcome, which see's Tasmanian's travel interstate to build new renewable energy in other states, to underwrite other states developing these economic activity enabling assets. The most direct and impactful form of 'additionality' will be arrangements strong enough to underwrite new Tasmanian generation, storage and associated infrastructure to be financed and build: inline with emerging national frameworks.

In summary, the Whaleback Ridge project has a potential capacity of up to 2.8 GW, with a Stage 1 of up to 432 MW, developed in stages and scaled with demand and infrastructure.

Generator preferences in a framework for supporting large new load

A bankable demand signal

The commercial value of a data-centre customer is greatest when its long-term energy commitment is sufficiently durable to support project financing. Policy should not prescribe the commercial instrument, but it should distinguish genuinely new investment from arrangements that only re-label existing supply. In addition, the direct and offtake creditworthiness of the proponents will and is increasingly directly relevant to the projects feasibility from a financing perspective.

A realistic ramp profile

Large generation projects and large data centres are both built in stages. Matching the customer's energisation schedule to the delivery of new generation can reduce pressure on the existing system and allow capital to be deployed progressively.

Room for different technologies to work together

Wind can provide large volumes of new energy. Hydro, storage and demand flexibility can perform different balancing and firming roles. The best outcome is likely to come from combinations rather than a single mandated technology.

A durable Tasmanian investment outcome

The purpose of attracting a large load should be broader than the facility itself. New demand supports construction activity, regional supply chains, transmission investment, workforce development and the next wave of energy-intensive industry.

WRE's response to the Committee's Terms of Reference

1 Protect public resources and the environment

WRE supports protecting existing Tasmanian consumers from a situation in which major new demand is accommodated principally by reallocating existing electricity. From a generator's perspective, the strongest structural protection is to expand supply, creating direct new economic activity and opportunities.

New data-centre demand can do that if it is accompanied by commitments that bring forward new generation and, where required, firming and storage. Environmental and planning standards for those generation projects should remain unchanged. Additionality is not a reason to lower the hurdle for development; it is a reason to create the investment case for projects that can clear that hurdle.

2 Resource Management and Planning System

Generation projects and data centres will often be proposed by different entities, in different places and on different development timetables. WRE does not consider that commercially linked projects need to be forced into a single planning application.

For very large electricity users, however, the planning record should make the proposed energy pathway visible: expected electricity demand by stage, the intended source of new energy, material storage or firming arrangements, network dependencies and the response if supporting supply is delayed. That information helps decision-makers understand the whole proposition without collapsing separate statutory approvals into one process.

3 Parliamentary oversight and accountability

WRE's interest is in a stable and investable framework. Parliament can set clear principles around expectations on new supply and community benefit and disclosure, while WRE holds a strong view project approvals and electricity contracting continue through the relevant regulatory and commercial processes in place.

Public accountability priority should be on outcomes: how much new generation has been contracted or commissioned, what public support has been provided, and whether the expected Tasmanian investment has occurred. Commercial power pricing, financing terms and confidential customer contracts should remain protected where disclosure would prejudice competition or financing. Over-reach into an emerging sector should be avoided, particularly in an environment where States are actively seeking to attract investment.

Tasmania is in a position to lead with its renewable energy pedigree. The state is also disadvantaged relative to others in its inability to offer direct economic incentives. A balanced, consistent and clear oversight framework continues to be seen as a strong clear signal to investors and capital markets.

4 Transparent public disclosure of resource consumption

Reporting should show both demand and the investment brought forward to meet that demand. Publishing only the electricity consumed by a facility provides an incomplete picture if the project has also caused substantial new generation to be constructed.

For major facilities, WRE supports national frameworks in works that will guide towards reporting actual annual electricity consumption, peak demand, material water use, and the new renewable generation, storage or other energy infrastructure that has been commissioned or contracted to support the facility. Where supply is largely sourced from the existing market rather than new investment, that distinction should also be clear.

5 Community consultation

Communities should be presented the wider investment proposition, as a balance of new demand and supply. For major data-centre developments that includes the facility, but also the generation,

storage, network works, construction activity, local procurement and regional development associated with supplying it.

This is especially relevant in regional Tasmania, where new generation may create opportunities for energy-intensive industry to locate closer to the resource and for host communities to capture a larger share of the economic activity created by the energy project.

6 Tangible benefits for Tasmania

A data centre's direct operational workforce is only one measure of value. A long-term electricity customer can support a much broader investment chain: generation construction, civil and electrical works, operations, landholder payments, transmission, local procurement, training and future industrial development. Supporting industries like food and beverage, industrial services and wider hospitality all benefit from increased activity.

WRE considers tangible benefits should therefore be assessed across that chain. Relevant measures include new generation capacity commissioned, Tasmanian capital expenditure, regional jobs and procurement, skills and apprenticeships, enabling infrastructure and the extent to which the project expands Tasmania's long-term energy capability.

7 Other matters: build the next supply to attract investment

WRE's central focus is that the State does not need to choose between protecting existing users and attracting new demand if the new demand is used to support underwriting new supply.

The Australian Government's March 2026 expectations state that new data centres should secure new and additional clean generation and/or storage to offset demand.[2] The Tasmanian Government's draft expectations similarly state that new projects are expected to support additional renewable generation and meet their share of network and connection costs.[3] From WRE's perspective, those policy directions create a practical commercial opportunity for Tasmania: use long-duration new demand to underwrite new generation on the island.

Whaleback Ridge as an example of the investment model

WRE's Whaleback Ridge project is proposed for Tasmania's West Coast between Granville Harbour and Zeehan. The project has a potential capacity of up to 2,800 MW, developed progressively in response to energy demand, with no additional transmission required to activate stage one of the project. Stage 1 is currently designed around a capacity of ~450 MW, with connection proposed to the existing Farrell–Reece transmission line.[4]

WRE does not suggest that a single project or technology should be preferred by policy. The project is relevant to this inquiry because it illustrates the investment mechanism: a large new customer can create the revenue certainty needed to advance a new generation stage, while the generation project creates energy, construction activity and regional investment that remain in Tasmania.

Closing statement

WRE's measure of success is simple: if Tasmania accepts a material new electricity load, the island should emerge with materially more energy supply and productive capacity for its economy than it had before that load arrived. This economic activation is highly sought after globally.

Data centres may be one source of that demand. The larger opportunity is to use durable new industrial load to build Tasmania's next generation of renewable energy and to keep as much of the resulting investment, employment and economic activity on the island as possible.

Stephen Casey

Chief Executive

Westcoast Renewable Energy

21 September 2026

References

1. Parliament of Tasmania, Inquiry into AI Data Centres in Tasmania and Terms of Reference.
<https://www.parliament.tas.gov.au/committees/house-of-assembly/standing-committees/government-administration-committee-a/inquiries/inquiry-into-ai-data-centres-in-tasmania>
2. Australian Government, Expectations of data centres and AI infrastructure developers, 23 March 2026.
<https://www.industry.gov.au/publications/expectations-data-centres-and-ai-infrastructure-developers>
3. Tasmanian Government, Clear expectations for data centres and AI infrastructure, 7 September 2026.
<https://www.premier.tas.gov.au/latest-news/2026/september/clear-expectations-for-data-centres-and-ai-infrastructure>
4. Westcoast Renewable Energy, Whaleback Ridge Renewable Energy Project.
<https://westcoastrenew.com.au/whaleback-ridge-renewable-energy-project/>