



STOP THE GAS PLANT

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SUBMISSION — GETTING IT RIGHT: BUILDING AI INFRASTRUCTURE THAT WORKS FOR AUSTRALIA

Responses to the consultation questions: Requirements for data centres

1. How could obligations be phased in to account for the time needed to build data centres and new renewable projects?

Phase in when an obligation applies, not whether it applies.

1. Set the obligation against ultimate site capacity from the start. Phasing should follow what is actually built and energised, stage by stage. It should not let an early, smaller approval take a whole site outside the standards.
2. Require a published compliance plan before each stage is energised. The plan should show how that stage will meet the obligation.
3. Require renewable supply to be committed before operation. Time can be allowed to build new renewables. A data centre should not run mainly on gas in the meantime without a committed supply to replace it.
4. Give off-grid facilities no extended phase-in. They control their own generation, so they should show their renewable supply before they start.
5. Set a published end date for any interim arrangement, so that “transition” can’t become permanent.

2. How should 'new' renewable capacity be defined in relation to data centre investments?

“New” should mean capacity that is additional, not renewable supply that was already going to exist.

1. Not yet operating, and not already committed, when the data centre’s approval is lodged. Existing plants and projects already under contract to someone else don’t count.
2. Additional to existing government targets and schemes. If a project would have been built anyway, it hasn’t been funded by the data centre.
3. Able to serve the site. It should sit in the same grid region, or be co-located for an off-grid facility, and be matched to the site’s actual hours of use, not just an annual total.
4. Counted once. Capacity or certificates already used by another buyer can’t be claimed again.
5. Published. Projects, capacity and contract dates should be disclosed so claims can be checked.

For an off-grid facility, “new” should mean renewables and storage built to supply that site, not certificates bought elsewhere.

3. At what capacity threshold should an obligation to retire or surrender renewable energy certificates apply?

Use the same threshold as the definition of a large data centre: 30 MW of design capacity. One test is clearer and harder to avoid than two.

1. Measure design capacity, including generation on site. A threshold based on grid connection would miss a facility that never connects.
2. Count the WHOLE site. Add up all stages and related sites, so splitting a project into smaller approvals doesn't keep it under the line.
3. Apply it from the first stage that takes a site past 30 MW cumulatively. The obligation should cover the full site from then on.
4. We have no firm view on whether smaller facilities should be covered. Government should test a lower tier with the sector, because many smaller sites may add up.

4. Should the information on REGO certificates be used to time-match electricity use in certain periods? If so, what should these periods be?

Yes. REGO data should be used to time-match, because annual matching hides the problem.

1. A facility can match its yearly use on paper while running on gas overnight and in winter. Only matching by time shows what actually powers it.
2. Matching should be hourly. It's the shortest practical period that stops sunny-hour supply covering night-time use.
3. Off-grid facilities should report hourly from their first day of operation.
4. Publish the results by facility, so the public can see how much of the time the site actually ran on renewable supply.

We support REGOs as a way to track renewable supply. They should NOT be accepted in place of physical renewable supply for a facility that generates its own power from gas.

5. Are there any complexities in how data centres could acquire certificates to meet a renewable electricity obligation?

Yes. Certificates make compliance easy to claim and hard to verify.

1. Existing supply: a data centre could buy certificates from plants that already exist. That meets the obligation on paper but adds no new renewable supply.
2. Location: certificates can come from a different region from the data centre. For a site that is not connected to the grid, they say nothing about what powers it.
3. Timing: a certificate from a sunny afternoon can be used to cover night-time gas generation unless certificates are matched by time.
4. Old certificates: certificates generated years earlier could be held back and used later. Set a limit on how old a certificate can be.
5. Double counting: the same renewable generation could be claimed by more than one buyer, or under more than one scheme. A single national register should prevent this.
6. Self-generation: a facility that runs on its own gas generator can still retire certificates bought elsewhere. Certificates alone should not satisfy the obligation for a site powered mainly by on-site fuel.
7. Market effect: large buyers can crowd out other users or raise prices. Require disclosure of what each facility buys, from which projects and on what contracts.

These gaps should be closed before data centres are approved, not after. Once a facility is built and running, the rules that govern it are very hard to tighten. This is another reason for the pause on final decisions for all large data centres until the standards are in force.

6. What incentives or obligations would encourage data centres to invest in on-site generation batteries or other flexible demand measures, to minimise energy usage during peak pricing?

Require batteries and flexible demand. Do not allow on-site fossil generation.

1. Make flexibility a condition of approval. Require facilities above the threshold to show how they will shift or reduce load at peak times, and to report on it.
2. Encourage batteries and co-located renewables. On-site generation should count towards the renewable obligation only if it is renewable or storage charged from renewables.
3. Do not allow on-site fossil generation, including as backup, except where required for safety.
4. Let price signals work. Facilities should pay the real cost of peak demand on the network. Tariffs should reward shifting load and penalise adding to the peak.
5. Separate flexible from fixed load. Some work, such as training and batch processing, can move in time. Require sites to say how much of their load is flexible and how they will use it.
6. Report publicly: peak demand, load shifted, and on-site generation hours, by facility.

7. Where electricity is being purchased from a state-owned operator, what should the AER consider when assessing whether to modify a data centre's renewable electricity obligation?

The default should be no modification. If one is ever considered, it should be narrow, public and time-limited, and it should not be decided while the standards are still being set.

1. What the supply actually is. Buying from a state-owned operator does not make the electricity renewable. The AER should look at the operator's real generation mix, not the ownership.
2. Whether it is new. Supply that already exists, or that the operator was already building, is not additional. A modification should not excuse a facility from paying for new renewable capacity.
3. Whether the operator can deliver. Ask whether there is a committed, published pathway to supply renewable electricity to that site, and by when.
4. Timing. Any relief should end on a fixed date, with the obligation applying in full after it.
5. Effect on others. The AER should consider whether the arrangement shifts costs or fossil generation onto other customers or onto the local community.
6. Transparency. Publish the application, the evidence and the AER's reasons before the decision is made, and allow time for public comment.
7. No relief for fossil-powered sites. A facility powered mainly by fossil generation, on site or contracted, should not receive a modification.

Large data centre decisions should be paused until the standards are in force. The AER should not be modifying obligations for any large data centre while the rules are still being written.

8. What unintended consequences or implementation challenges should the government consider in designing a renewable electricity framework for data centres?

The biggest risk is a framework that looks strong on paper but can be met without changing what powers the site.

1. Loopholes in the threshold. A definition based on grid connection misses facilities that generate their own power. Staged approvals can keep each stage under the threshold.
2. Certificates that don't change the physical supply. A site running on gas can still buy renewable certificates elsewhere and claim compliance. Time-matching and a limit on the gas share are needed.
3. More fossil generation, not less. If grid connections are slow or expensive, developers may build on-site gas to avoid the queue. The framework should make that route unattractive.
4. Costs falling on others. Large new loads can raise network and energy costs for households and small businesses. Hosting communities also carry noise, land and emergency services costs that no certificate

covers.

5. Projects locked in before the rules apply. Facilities approved or built before the standards start will keep operating under the old rules for decades.
6. Weak transparency. Without facility-level reporting, no one outside the operator can check whether the obligation is being met.
7. Regional and community impacts. National rules can leave siting, water and consultation to state processes. Communities then find out late and have little say.
8. Pace. Standards written quickly, with little time for community comment, are more likely to contain gaps like these.

These risks are a reason to pause decisions on large data centres until the standards are in force and tested for loopholes.

9. What performance metrics or ratings would reflect an appropriate standard for energy usage and efficiency in data centres?

We are a volunteer community group, and we are not in a position to say what the right numerical standard is. We think that is an argument for more time, not for guessing. The paper asks community groups to judge technical standards in three weeks. We would rather say what we don't know than endorse numbers we can't test.

We can say what the standard should do:

1. Make it mandatory, not voluntary. Reporting alone will not change how facilities are designed.
2. Measure what happens in operation, not only the design. A design rating says what a facility could do. An operating rating shows what it actually does, and should be checked by an independent party.
3. Publish results by facility, so the public can see them.
4. Do not rely on PUE alone. PUE shows how much energy goes to support systems compared with computing. It says nothing about how much energy a facility uses in total, or what generates it. A very efficient 700 MW facility still uses 700 MW.
5. Consider energy efficiency together with water use. The examples in the paper set different PUE levels depending on the type of water used. That suggests the two can trade off against each other, and the standard should not improve one at the expense of the other.
6. Apply the standard to the whole site, including all stages, so a large facility cannot avoid it by being built in stages.
7. Review it regularly. Technology and best practice change quickly, so the requirements should tighten over time.

We cannot responsibly recommend a number in this time. That is ANOTHER reason to pause decisions on large data centres until the standards are in force and have been tested with independent technical advice and with communities.

10. Should the Commonwealth establish national baseline energy and water efficiency metrics for data centres? What might be the benefits and/or unintended consequences of this approach?

Yes, as a minimum that others can go above. Not as a limit on what states and councils can require.

Benefits

1. One clear standard. Developers cannot shop between states for the weakest rules.
2. Comparable data. Communities, councils and regulators can see how a facility performs against others.
3. Earlier design decisions. Efficiency and water use are cheaper to build in than to fix after construction.

Unintended consequences

1. The baseline becomes the ceiling. If meeting the minimum is treated as “good enough”, stronger local requirements may be resisted or overridden. National baselines should say expressly that states and councils can set higher standards.
2. Efficiency is not the same as low impact. A more efficient facility can still use enormous amounts of energy and water in total. Baselines should be paired with reporting of total use.
3. Energy and water can trade off. Cooling with less electricity can mean using more water, and the reverse. The two should be set together.
4. One national number ignores local conditions. A facility in a drinking water catchment, or a drought-affected region, may need to meet a stricter standard than a site on cleared industrial land.
5. Gaming. Measures that cover design only, or a short test period, can be met on paper. Require independently checked operating results.
6. Set too early or too weak, it locks in. Facilities approved under a weak baseline operate for decades.

Setting these metrics needs independent technical advice and real time for communities to respond. That is another reason to pause decisions on large data centres until the standards are in force.

11. Should all data centres be required to meet energy and water performance thresholds? If not, how should requirements change or scale for different data centres?

Yes. All data centres should meet energy and water performance thresholds.

1. Impact does not stop at a size line. Small and medium facilities use power and water too, and there are a lot of them. A threshold that exempts them invites facilities to be built just under it.
2. The same standard should apply to every facility, wherever it is. Performance should not depend on who builds it or which state approves it.
3. What can scale is the reporting, not the standard. Smaller facilities could have simpler reporting and longer to comply, so the burden on them is proportionate. The performance requirement should stay the same.
4. Stricter requirements should apply where the risk is greater. That includes drinking water catchments, drought-affected regions and sites close to homes.
5. Count the whole site. Stages and related facilities should be added together, so large sites cannot be built in small pieces.

Setting performance thresholds for every data centre takes time and independent technical advice. That is another reason to pause decisions on large data centres until the standards are in force.

12. How frequently should data centres be required to transparently and publicly report their energy use, efficiency, and emissions as part of plans demonstrating compliance with mandatory requirements?

At LEAST annually in full, with shorter summaries published more often.

1. Annual compliance report, independently checked. It should cover electricity use, efficiency, water use, on-site fuel use and emissions, by facility.
2. Quarterly summary figures. Energy use, water use and emissions should be published within a set time after each quarter ends, so problems show up during the year and not after it.
3. Hourly data kept and available. Facilities should keep hourly energy data, which is needed to check time-matching, and give it to the regulator on request.
4. Compliance plan updated at least annually, and before each new stage is energised.
5. Reports in plain English and in a standard format, so they are easy to find and compare, and not buried in technical appendices.
6. Prompt public notice of breaches. A failure to meet a requirement should be reported when it is found, not at the next annual report.

13. Should data centres be required to meet performance metrics or ratings for water usage and efficiency in data centres?

Yes. Every data centre should meet a water performance standard, and report its water use publicly.

1. Mandatory, not voluntary. Water efficiency should be a condition of approval, and checked once the facility is running.
2. Measure total water use, not only efficiency. WUE compares water with computing work. A facility can have a good WUE and still use very large amounts of water. Report total water use by source (drinking, non-drinking, recycled) alongside WUE.
3. Set stricter limits for potable water. Prefer recycled and non-potable water, and require a justification for any use of drinking water.
4. Set the highest bar in drinking water catchments and drought-affected regions. This should include extra scrutiny before even considering approval.
5. Require water plans before approval. They should show expected use, sources, what happens in drought, and who pays for the infrastructure. They should be published in time for the community to read them.
6. Consider energy and water together. Cooling with less electricity can mean using more water, and the reverse. A standard that looks at only one can make the other worse.
7. Independent verification and facility-level reporting, with the same standard applied to every facility.

We are not in a position to say what the numbers should be, and we would not want to guess. They should be set with independent hydrological and technical advice and with communities, before large data centres are approved.

14. If so, are existing metrics (for example, WUE ratings) fit for purpose or would new or adjusted metrics be more appropriate (for example, by factoring water stress regions and water sources into WUE ratings)?

WUE is a useful starting point, but on its own it is not fit for purpose. It should be adjusted and paired with other measures.

1. WUE hides total use. It is a ratio. A facility can score well and still draw very large volumes of water. Total water use should be reported alongside it.
2. It ignores where the water comes from. A litre of drinking water in a drinking water catchment is not the same as a litre of recycled water. Report use by source, and weight the rating so that drinking water counts for more.
3. It ignores where the facility is. The same amount of water matters more in a drought-affected or water-stressed region. Yes, the rating should factor in local water stress, using an independent and published measure.
4. It ignores what the water is used for and what happens to it. Water that is evaporated is lost to the system. Water that is returned is not. Report consumption and returns separately.
5. It should be combined with energy. Cooling with less electricity can mean using more water, and the reverse. Report both together.
6. Measure it in operation, and have it checked independently, not only in the design.

We do not have the technical expertise to say exactly how to adjust the metric. The adjustments should be developed with independent water experts and tested with affected communities, before large data centres are approved.

15. Should a minimum NABERS data centre rating, based on WUE and agreed by states and territories, be required once a facility is operational?

Yes, a minimum operating rating should be required, but it should not be the only check.

1. It should be mandatory and independent. A rating from an independent assessor is more reliable than a self-reported figure.

2. It should be published. The public should be able to see each facility's rating.
3. It should have consequences. A facility that falls below the minimum should have to fix the problem by a set date, with penalties or restrictions on operating if it does not. A requirement with no consequences will not change behaviour.
4. It should NOT replace assessment before approval. A rating tells you how a facility is performing once it is running. By then the site is built, and it is much harder to require change. Water plans and impact assessment should come first.
5. A rating based on WUE inherits WUE's limits. It does not show total water use, the source of the water or local water stress. The rating should be paired with those measures.
6. Agreement between states and territories should set a national minimum, not the lowest common denominator. Any state or council should be able to require more.

We cannot say what the minimum level should be. That should be set with independent technical advice and with communities, before large data centres are approved.

16. Should water-use thresholds trigger additional requirements? If so, what thresholds should apply, and should they align with the tiered approach outlined on page 8 of the consultation paper?

Yes. Water use should trigger additional requirements, and the trigger should be water, not only electrical capacity.

1. Capacity is a poor stand-in for water. The paper's tiers are based on megawatts (below 30 MW, 30 to 100 MW, and above 100 MW). Two facilities of the same capacity can use very different amounts of water, depending on how they are cooled.
2. Use water-based triggers as well. Additional requirements should apply when a facility passes a threshold for total water use, or for drinking water use, whatever its size.
3. Location should trigger extra requirements too. Any facility in a drinking water catchment, a drought-affected region or a water-stressed area should face stricter requirements, even if it is small.
4. Align with the tiers where it helps, but do not exclude small facilities. The paper excludes facilities below 30 MW. Water use does not stop at that line, and many small facilities add up. The reporting burden can be lighter for smaller sites, but the water standard should apply to all of them.
5. Count the whole site. Stages and related sites should be added together for both capacity and water use.

We cannot say what the thresholds should be. Setting them takes independent hydrological advice and time for affected communities to comment, before large data centres are approved.

17. What aspects of water use should data centres transparently and publicly report? E.g. maximum and peak demand, potable and non-potable water sources, efficiency measures, drought resilience measures and impacts on local water systems.

All of it, by facility, in plain English and in a standard format.

1. Total water use, annually and by month.
2. Maximum and peak demand, including the highest daily and seasonal draw.
3. Sources: drinking, non-drinking and recycled water, and where each comes from (for example, town supply, a catchment, groundwater or recycled supply).
4. Water consumed and water returned. Water that is evaporated is lost to the local system, so it should be reported separately from water that is treated and returned.
5. Efficiency measures and results, including the cooling method and the facility's WUE, with total use reported alongside it.
6. Drought and disruption plans. What the facility will do if supply is restricted, and how much it would cut back.
7. Impacts on local water systems. Effects on supply to households and other users, on local waterways and groundwater, and any water infrastructure the facility needs and who pays for it.

8. Wastewater and discharge. What is released, where, and what is in it.
9. Independent verification, with figures checked by an independent party and breaches reported when they are found.
10. Timing. Plans and expected figures should be published before approval. Operating figures should be reported at least annually, with quarterly summaries.

This information should be public before approval, not only afterwards. Communities cannot comment on water impacts they cannot see.

18. Should a nationally consistent hierarchy of water sources be adopted for data centres, prioritising non-potable/recycled water with potable water as last resort?

Yes. A national hierarchy should apply, and drinking water should not be used to cool data centres.

1. Recycled and non-drinking water only for cooling. Recycled water first, then other non-drinking sources.
2. Drinking water limited to essential uses. That means staff amenities, fire safety and similar needs, not cooling or running the facility.
3. If drinking water is ever proposed for other uses, the facility should have to justify it, show there is no alternative, and accept a hard limit on volume that is published.
4. No drinking water use in drinking water catchments and in water-stressed regions, except for essential uses.
5. Check that “recycled” water is real. The source, the amount, and the impact on other users and on local waterways should be shown. Recycled water that another user or the environment already depends on is not a free supply.
6. Apply it to every data centre, in all states and territories, so developers cannot choose the weakest rules.
7. Report use by source, so the rule can be checked and enforced.

A rule like this is only as good as how it is enforced. It should be in force before large data centres are approved.

19. Where recycled or non-potable water supplies are not reasonably available, what alternative approaches might be promoted to achieve equivalent water security outcomes? For example, water offsets within the same catchment, investment in recycled water infrastructure with an associated transition timeframe, desalinated water supply, and local water efficiency programs.

We do not have the technical expertise to say which alternatives would deliver equivalent water security. We can say what any alternative should have to show.

1. The first question is whether the site is right. If recycled or non-drinking water is not reasonably available, that is a reason to look at a different location, a smaller facility or a different cooling method, not only at substitutes.
2. Infrastructure comes before operation. If a facility is to invest in recycled water supply, that should be built and working before it starts using water, with a fixed and published end date for any transition. A promise to build later is not equivalent.
3. Offsets need to be real, local and checked. An offset in the same catchment should be additional, measured, independently verified and permanent. It should not rely on savings that were already going to happen, and it should not move the burden onto other users. We are cautious about offsets in drinking water catchments, where the water supply itself is at stake.
4. Desalination has its own costs. It uses a lot of energy and produces brine, so it should be assessed against the energy and emissions requirements, and the cost should not fall on the public.
5. Local water efficiency programs should be extra, not a substitute. They should deliver savings that would not otherwise have happened, and be verified.
6. None of these should be a route to using drinking water for cooling. Whatever the alternative, drinking water should stay limited to essential uses.

7. Everything should be published. The alternative proposed, the evidence, and the results should be public before approval, with time for community comment.

We cannot say which of these would work in a particular place. That is for independent hydrological advice and affected communities, and it is another reason to pause decisions on large data centres until the standards are in force.

20. Should data centres be required to demonstrate that proposed water use will not adversely affect local water security, drought resilience, environmental water requirements, or existing water users as part of a plan outlining their compliance?

Yes. This should be a condition of approval, shown before a facility is built, and not assumed.

1. Demonstrate it, don't just state it. The plan should include evidence, independently checked, that the proposed water use will not harm local water security, drought resilience, environmental water needs or existing users, including households, farms, businesses and utilities.
2. Include drought and worst-case conditions. The test should be what happens in a dry year, not an average year.
3. Look at the whole catchment. Include other users, other approved or proposed developments, and the cumulative effect on drinking water supplies and local waterways.
4. Publish the plan before approval, in plain English and in time for the community to read and respond.
5. If it cannot be demonstrated, the facility should not be approved, or should have to change its design, source or location.
6. Keep it up to date. Review the plan at least annually, and before each new stage is energised, with results reported publicly.
7. Apply it to every data centre, so developers cannot choose the weakest rules.

We make no claim about the water use of any particular project. The point is that it should be shown and tested before approval, in public.

21. Aside from infrastructure and network augmentation costs attributable to their energy and water demand, are there other significant potential costs from data centre activity, and how might accountability be provided for managing these?

Noise, traffic, emergency services readiness, land use and amenity. Proponents should show how these will be managed and who pays. Independent monitoring and published results would give communities a way to hold facilities to account.

22. What does best practice community engagement look like for data centres, including with nearby businesses?

Early notice, before applications are lodged, and automatically to nearby residents, councils and relevant agencies. Plain-English information. Key documents released in time to be read. A real chance to respond before decisions are made. Notification should start when a project is first scoped, not only when an environmental impact statement is released. Consultation with First Nations peoples should be defined, including when it must happen.

23. What role should the Commonwealth's mandatory requirements play in relation to location and community engagement? For example, the Commonwealth could promote transparency around where new data centres are being developed or plans for community engagement.

Require proponents to publish their full intended build-out before any stage is approved, and a public register of proposals. Set minimum consultation standards, including notice at the earliest stage. Require evidence that health, environment, energy and local government agencies were consulted before key approval steps.

24. Should data centres be required to locate a minimum distance away from sensitive sites such as schools or residential homes? If so, what should the mandatory minimum distance be? Which level of government is best placed to issue and administer location requirements?

Yes. There should be a national minimum separation from homes, schools and other sensitive sites. We cannot say what the distance should be. It should be set on independent expert advice about noise, air emissions and safety, and it should be greater where a facility burns fuel on site. The Commonwealth should set the minimum, states should administer it, and states and councils should be able to require more. Distance should be measured from the boundary of the whole site, including any generation.

25. Do you have any additional comments on this topic?

This submission is a summary. Our full submission is attached. Three weeks is not enough for community groups to respond to more than 50 technical questions. We ask for more time, and for a pause on final decisions for all large data centres until the standards are in force.