

Communication Update

To: Mayor and Members of City Council

Date: August 19, 2026

Subject: ERO 026-0853 – Economic and Strategic Assessment Framework for New Data Centres

Ward(s) Affected: City Wide

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Signature:



Summary

This Communication Update provides Council with an update on the province's recent announcement of a new "Data Centre Playbook" and the associated Environmental Registry of Ontario Posting seeking input on three proposed strategic priority assessment pillars for assessing data centre proposals. The Communication Update advises the Mayor and Members of Council of the consultation timeline established by the province through [Environmental Registry of Ontario Posting 026-0853](#). A staff report to Planning Committee will be brought forward following the consultation period to outline the staff-level comments submitted to the Province and provide Council the opportunity to amend or supplement those comments.

Background

On December 11, 2025, Bill 40, the *Protect Ontario by Securing Affordable Energy for Generations Act, 2025* received Royal Assent. This legislation amended the *Electricity Act, 1998* providing the province authority to establish regulatory requirements that data centres must meet before connecting or reconnecting to the electricity grid.

Details

On August 13, 2026, the Provincial Government announced the development of a "Data Centre Playbook" to help guide approval of new data centres in Ontario. While the playbook is still under development, the province has released three proposed strategic pillars for public

comment through [Environmental Registry of Ontario Posting #026-0853](#). These pillars would form part of the forthcoming Data Centre Playbook and include:

- **Pillar 1:** Advance Economic Development.
- **Pillar 2:** Protect Data Security and Digital Sovereignty.
- **Pillar 3:** Invest in Communities and Earn Public Trust.

The Provincial Government is proposing to assess data centre proposals against these three strategic pillars, considering factors such as economic development, digital sovereignty, community benefits, and environmental impacts. The assessment would also consider electricity system reliability, technical feasibility, and cost responsibility.

In addition, the province is proposing to establish a separate rate class for new data centres which the province has stated would address data centres' impact on the electricity system.

Further information regarding this proposal can be found in the Environmental Registry Posting and the Media Backgrounder attached as "Appendix A" to this Communication Update.

Next Steps

The province is seeking feedback on the identified strategic priority pillars and the proposed separate rate class through [the Environmental Registry of Ontario](#). A 30-day public comment period has been initiated by the province, beginning August 13, 2026, and ending September 12, 2026.

City staff have circulated the Environmental Registry posting to relevant City departments for review and input and will submit staff level comments to the province in advance of the September 12, 2026, deadline. Given the limited commenting timeline, staff will report to Planning Committee following the close of the comment period to seek endorsement of the staff-level comments submitted to the province and to provide Council with an opportunity to amend or supplement those comments.

Appendices and Schedules Attached

Appendix A - Media Backgrounder - Data Centre Playbook