

Communication Update

To: Mayor and Members of City Council
Date: October 19, 2026
Subject: Status Update – Artificial Intelligence Data Centres Study
Ward(s) Affected: City Wide
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Signature:



Summary

This Communication Update provides Council with an update on the work that staff is doing to initiate an Artificial Intelligence Data Centres Study, and to provide an interim report that sets out background information and a scope of work for the study, including a public engagement strategy and a plan to consult with Indigenous communities.

This Update also addresses the response of staff to Environmental Registry Posting #026-0853, released on August 13, 2026, on the development of a “Data Centre Playbook” by the Province of Ontario intended to guide approval of new data centres in Ontario.

Background

On June 24, 2026, Council passed a Motion with respect to a Municipal Framework regarding the Development of Data Centres in Hamilton. Council directed staff to undertake a review and study of the City’s land use planning policies in relation to data centres, applicable to all zones where the use is permitted in the City, including but not limited to, its Official Plans and Zoning By-laws, and any required changes to the City’s land use planning policies, mapping and regulatory framework, considering a broad range of issues associated with the development of artificial intelligence data centres

Council also directed staff to report back to Planning Committee with an interim report including:

- 1) The study scope of work, including financial and staffing resources and the need for external consultants;
- 2) A plan to consult Indigenous communities;

- 3) A public engagement strategy;
- 4) Information on the current regulatory environment for artificial intelligence data centres at the federal, provincial and municipal orders of government, including updates on legislative changes;
- 5) Information from Alectra and other electrical utilities on the potential costs and other impacts of electrical infrastructure; and,
- 6) Legal advice about any options available should either the Federal or Provincial Government attempt to force an artificial intelligence data centre to be developed in Hamilton.

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. 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.

Details

Since June 2026, staff has been monitoring the progress of the Federal and Provincial governments to develop strategies to guide the growth of artificial intelligence and data centres and will report findings to Council in the Interim Report targeted for the December 1, 2026, Planning and Economic Development Committee.

This Interim Report will also address the Council direction noted above, by setting out a work plan to complete the Artificial Intelligence Data Centres Study, as well as a consultation and engagement plan to obtain input from Hamilton residents, businesses and the Indigenous community.

With respect to the Environmental Registry of Ontario posting, comments from staff representing a broad range of City departments was submitted to the province by the September 12 deadline.

These comments centred around the important themes of climate and sustainability; infrastructure impacts and cost responsibility; economic and community benefits; meaningful consultation and building public trust; and establishing a clear and transparent evaluation process. The province was also encouraged to provide additional opportunities for the public to ask questions and provide comments to help inform the development of the “Data Centre Playbook”.

Next Steps

Staff has identified the December 1, 2026, Planning and Economic Development Committee date to present the following reports:

- 1) Artificial Intelligence Data Centres Study – Interim Report, including background information on Federal and Provincial initiatives, a scope of work for the Study, and a consultation and engagement plan.
- 2) City of Hamilton Response to Environmental Registry of Ontario Posting 026-0853 – Economic and Strategic Assessment Framework for New Data Centres.