

SUBMISSIONS TO CITY COUNCIL, CITY OF TORONTO REGARDING MM43.72 AND MM43.75- DATA CENTRES IN ETOBICOKE AND SCARBOROUGH

Green Neighbours 21 is a grassroots green group in St. Clair West, covering parts of Toronto St. Paul's and Davenport ridings. We address all things green, from climate advocacy to waste reduction to nature appreciation and improvement, and have been doing so since 2007.

Why are we making submissions about a large Microsoft Data Centre at Islington and Hwy. 401 in Etobicoke and about a large Stack Data Centre on the Danforth in Scarborough Southwest when it is so far from our area? For four reasons:

1. Large data centres have outsized environmental impacts on power, water supply, and greenhouse gas emissions
2. Guidelines to control impacts, as well as methods to evaluate costs and benefits to local communities and the city, and the climate, are not yet available
3. There has been a lack of transparency about these projects in Toronto and Ontario, in part because they are considered a permitted industrial use and have avoided the kinds of public disclosures that we expect for large projects in a city
4. The proponents of these projects are often some of the richest and most powerful companies on the planet, and transparency is of heightened importance to all of us.

Our position on large or hyperscaled data centres is simple. There must be a moratorium now, pending the development of clear rules that guide the country, the province and the city in deciding which data centres can be built and under what conditions. For instance, rules should prevent a data centre which imperils the water supply in a locality to be built.

Unfortunately, we have no such rules at any level of government. The federal government strategy "AI for all" is essentially silent on the environmental impacts of large data centres. The provincial government has recognized the issue to a degree by giving the Minister of Energy and Mines the power to prevent a particular business from connecting to the electrical grid, in response to the power demands of very large data centres. But this is not a transparent process and, given the severity and impact of the issue, risks abuse with no appeal mechanism. The city

has correctly determined that rules and disclosures must be developed, and implicitly has correctly determined that this takes time to do transparently. This was the heart of the Council's decision in March 2026 in MM 39.47. The information needed to be gathered will be from staff and will be reported to Council again in March 2027. A formal moratorium or simply an administrative delay of pending requests is required in these circumstances.

We suggest that Council hear both the Scarborough and Etobicoke matters together.

MM43.75- Scarborough matter

We support the motion by Councillors Kandavel and Saxe, and in particular, the linking of the Scarborough Stack Data Centre matter with the general rules regarding data centres that council will work on after the information in MM39.47 is gathered.

MM43.72- Etobicoke matter

The motion must be amended so that the Etobicoke data centre does not proceed faster than Council can formulate general rules, as in MM43.75. All four of the general factors that make data centres problematic are present in the Etobicoke Microsoft data centre case:

1. Outsized environmental impact in power and water
2. No guidelines for mitigation, or evaluation of community costs and benefits
3. Lack of transparency
4. A very rich and powerful proponent with profit, not community benefit, as their primary motivator

In general terms, power is numerically a larger concern than water. An extremely large data centre uses the power of 1 million homes and the water of 16,000 homes. But the facilities, pipes and pumping stations, may not be up to the task of moving that amount of water. In the particular case of the Etobicoke Microsoft data centre, Microsoft has filed regulatory information

indicating that it can take up to 1 billion litres of water in a year but has said that it won't need that amount. If it turns out that they do need the 1 billion litres and the water infrastructure cannot bear the load, who will pay for the upgrades? This is not a theoretical concern. Microsoft built a data centre before where the water required to cool the premises was four times what they estimated, and a dispute followed with the municipality.

A power requirement of the scale of these two data centres will meaningfully affect Toronto's ability to get off fossil fuels. As Councillors are aware, our electrical grid is increasingly powered by natural gas which results in increased emissions of methane, a much more powerful greenhouse gas than carbon dioxide. Our own Portlands Energy Centre is running more and more, with adverse effects on our climate- stronger wildfires- and adverse health effects for local residents.

Microsoft is a rich and powerful data centre proponent. The City of Toronto agreed in April, 2026 to sign a 5 year contract, on a non-competitive basis, with Microsoft for the provision of Microsoft Teams and Office 365, with AI products Azure and Copilot as an option. As a result, the City needs to address its own use of AI as a matter of policy. It did not do so at the time of the agreement with Microsoft, and it's time to have that discussion with citizens, and in particular on the adverse effects of our use of AI, now that the proponent wants a large physical presence in our city.

Yours truly,

Michael Green

Steering Committee Member, Green Neighbours 21

