

Wednesday July 29, 2026

Toronto City Hall
100 Queen Street West
Toronto, Ontario
M5H 2N2

RE: 2026.MM43.72 and 2026.MM43.75 — City of Toronto policies on large data centres

Dear Members of Toronto City Council,

Toronto Environmental Alliance is writing to support the Members Motions MM43.72 and MM43.75, and in addition to suggest that Council strongly consider a pause on approvals of new data centres in Toronto until more transparency on the projects and a clearer policy around them is formed.

In March 2026, Toronto City Council adopted MM39.47, which calls for the Chief Planner to report back to Council on the planning compatibility, environmental impact, regulatory environment, and recommendations for municipal review processes of data centres in the City of Toronto. However, given increased commercial pressure for data centres, particularly from large, American-based AI tech firms and cryptocurrency mining operations, TEA believes that it is prudent to hold off on further data centre approvals until their full environmental impact is understood.

In other jurisdictions around the world, many data centres have had severe detrimental environmental impacts including:

- Excessive electricity use that could increase fossil fuel use and drive up hydro rates ¹
- Excessive water use that could stress municipal water supply and/or increase local water costs ²
- Increasing local temperatures by as much as 26 degrees centigrade (16 degrees fahrenheit) ³
- Additional problems such as noise and air pollution

It is currently unclear to what extent these serious environmental impacts will occur from any proposed or planned data centres in the City of Toronto. Although Council was directed in March to “develop a Toronto-specific approach to AI data centres,” this is not expected until 2027. In the meantime applications for large-scale data centres, such as 3650 Danforth Avenue in Scarborough, are rolling in. The current review process does not provide sufficient detail on potential impacts, nor the critical public transparency, to address the environmental concerns of major data centres.

In order to avoid uncoordinated, site-by-site assessments while the City’s approach is being developed, we recommend that the City look at pausing new proposals for data centres until there is more transparency, impacts are properly assessed, and a responsible process is developed.

As part of this work, Toronto Environmental Alliance also recommends the following:

- That the water, energy, and greenhouse gas emissions of data centers align with ongoing work on the development of the City of Toronto’s Building Emissions Performance Standard protocols;
- That assessments of data centres align with existing City of Toronto strategies, including the City’s TransformTO Net Zero plan, economic development strategies, Community Benefits Framework, and others.

Sincerely,



How-Sen Chong
Climate Campaigner
Toronto Environmental Alliance

1. Source: “Alberta’s decision to power new data centre with gas will drive up consumer costs”. Pembina Institute, Jul 8, 2026. <https://www.pembina.org/media-release/albertas-decision-power-new-data-centre-gas-will-drive-consumer-costs>
 2. Source: “The AI data centre boom is coming to Canada — and it’s thirsty.” CBC News. Oct 18, 2025. <https://www.cbc.ca/player/play/video/9.6943341>
 3. Source: “Scientists have found an alarming environmental impact of vast data centers.” CNN. Mar 30, 2026 <https://www.cnn.com/2026/03/30/climate/data-centers-are-having-an-underreported>