

The Ontario Data Centre Playbook—Legal Power, But Dangerous Loopholes

In our previous post, we looked at how the federal government's data centre principles are purely voluntary guidelines with no legal enforcement.

The Ontario Data Centre Playbook is different. Created under the Protect Ontario by Securing Affordable Energy for Generations Act, the Playbook gives the provincial government direct, legally binding authority over which large projects are permitted to connect to Ontario's electricity grid.

While having a provincial gatekeeper sounds like strong protection, a close look at the fine print reveals critical loopholes that put host communities like Oakville at risk.

1. The "Size Threshold" Carve-Out (Unregulated Sub-Builds)

- **What the Playbook says:** The province will review and regulate large data centre connection requests that meet specific capacity thresholds under the Electricity Act.
- **The Loophole:** If the provincial power threshold is set too high (for instance, only triggering review for mega-projects over 50 Megawatts), developers can split their facilities into phased builds or smaller 20–30 Megawatt modular units. These smaller units can bypass the provincial gatekeeping process entirely while still consuming massive amounts of local power and land combined.

2. "Dedicated Rates" Don't Stop Systemic Rate Hikes

- **What the Playbook says:** Data centres will pay their "full cost of electricity" through a dedicated electricity rate class, keeping residential utility bills safe.
- **The Loophole:** A dedicated electricity rate covers direct hookups and local transformers, but it does not cover long-term grid expansion. Adding gigawatts of constant base load demand forces the province to build expensive new power generation (like natural gas plants or costly nuclear refurbishments). Those broad, multi-billion-dollar system expansion costs are routinely passed down to everyday Ontario households over time.

3. "Bring Your Own Power" (BYOP) Risks Local Air Quality

- **What the Playbook says:** To get grid approval, proponents can offer plans for "on-site generation ('bring your own power')".
- **The Loophole:** The Playbook does not strictly limit what fuel types can be used for on-site power generation. To bypass grid bottlenecks, developers could deploy heavy fossil-fuel infrastructure—such as large natural gas turbines or continuous diesel generators—increasing local air pollution and noise right in our backyards.

4. Provincial "White Glove Service" vs. Municipal Control

- **What the Playbook says:** Ontario will offer non-financial incentives like "white glove service" and "facilitation of permitting" to attract preferred data centre investments.
- **The Loophole:** Fast-tracking approvals at the provincial level can create intense pressure on municipal planners. Host communities like Oakville could see local zoning authority, conservation reviews, and public town hall windows sidelined by provincial fast-tracking agendas.

5. Highly Subjective "Strategic Priority" Ratings

- **What the Playbook says:** Projects will be evaluated on economic benefits, Canadian digital sovereignty, and community investments.
- **The Loophole:** Many of these requirements are framed as soft preferences rather than hard legal rules:
 - "Preferably Canadian-owned" is an aspirational recommendation, allowing foreign hyper-scalers to easily satisfy criteria.
 - Job Creation Metrics can be easily inflated using temporary construction figures rather than long-term operational jobs.
 - Community Investment requirements can be satisfied through minimal corporate sponsorships or nominal cloud credits rather than direct infrastructure funding for host towns.

Why Oakville Must Maintain Its Local Defences

The Ontario Playbook proves why local tools, like Oakville's Interim Control By-law (ICBL), are vital. Provincial grid approvals focus heavily on macro-economic priorities, not the day-to-day realities of neighbourhood noise, local water table depletion, or municipal land planning.

We cannot rely on provincial "white glove service" to protect our neighbourhoods. Oakville needs strong, locally enforced planning rules to retain control over what gets built in our community.

What You Can Do

- **Stay Informed:** Share these posts with your neighbours to spread awareness about the reality behind government press releases.
- **Support Local Governance:** Speak up at Town Council meetings in support of Oakville's ongoing land-use planning studies and municipal by-law enforcement.