

21 April 2026

Patrick Copas
Principal Planning Officer
Department of Planning, Housing and Infrastructure

Via: NSW Major Projects Portal

**EPA Advice on Environmental Impact Statement
Project Mars Data Centre – SSD-82052708**

Dear Patrick

I am writing in response to your request for advice from the NSW Environment Protection Authority (EPA) on the Environmental Impact Statement (EIS) for the proposed Project Mars Data Centre at 12 Mars Road, Lane Cove.

The EPA understands the proposal is for construction and operation of an 81MW data centre, including:

- 49 back-up diesel generators (3MW),
- Diesel storage of approx. 892t (1,049,000L),
- Testing 1 generator at a time, with total operating hours of 155.2hrs/pa (indicated in AQIA).

Based on the information provided:

- the proposal does not constitute a Scheduled Activity under Schedule 1 of the *Protection of the Environment Operations Act 1997* (POEO Act) and so will not require an Environment Protection Licence (EPL) under this Act, particularly regarding the thresholds in Clause 9 Chemical Storage (2,000t diesel storage) or Clause 17 Energy Generation (back-up plant operation exceeds 200hrs/pa).
- the proposal is not being undertaken by or on behalf of a NSW public authority, nor are there activities for which the EPA is the appropriate regulatory authority.
- the site is not being regulated by the EPA under the *Contaminated Land Management Act (1997)*.

The EPA is not considered to be the Appropriate Regulatory Authority for the proposal with regards to relevant matters under the POEO Act.

The EPA provides the recommended information and assessment requirements relating to data centres proposals below and in **Attachment A** for consideration by the Department of Planning, Housing and Infrastructure (DPHI) as part of its assessment.

Matters for consideration

The EPA is aware that generator use associated with maintenance of the facility and site related infrastructure can contribute significantly to total generator operating hours. Proposals should clearly detail all anticipated generator use associated with facility and site maintenance.

This should include expected frequency, duration and maximum number of generators operating at one time. Air Quality Impact Assessments should ensure they model the reasonable worst-case operational scenario. Consideration should also be given to adequate allowance for unplanned works and emergency scenarios.

This information should be provided to ensure proposals do not underestimate total generator operating hours, accurately represent likely operational air quality and noise impacts and consider appropriate mitigation measures.

The EPA does not require any further consultation on this matter but can provide feedback should DPHI seek review of any draft conditions of consent.

If you have any further questions about this issue, please contact Carlos Ferguson at environmentprotection.planning@epa.nsw.gov.au.

Yours sincerely



CHRISTIE JACKSON
Unit Head – Environment Protection Planning
NSW Environment Protection Authority

Attachment A – Recommended comments for data centre proposals

The EPA provides the information and assessment requirements below relating to data centres for consideration by DPHI as part of its assessment of the proposal:

1. Licencing requirements

Proposals should clearly identify whether an Environment Protection Licence (EPL) will be required under the *Protection of the Environment Operations (POEO) Act 1997*. Information should be provided addressing the following thresholds in Schedule 1 of the POEO Act.

- Clause 9 - Chemical Storage (diesel storage) – 2,000t,
- Clause 9 - Chemical Storage (pressurised gases) – 20t,
- Clause 17 - Energy Generation (back-up generators) – 30MW and 200hrs/pa,
- Any other activity in Schedule 1 that may be undertaken at the premises.

2. Details of generator testing

Proposals should clearly detail all activities that will require operation of back-up generators and provide detailed information regarding:

- All generator testing (e.g. monthly, quarterly, annual), including total number of tests per day and for each generator per year,
- All facility or site infrastructure maintenance that will require use of generators,
- Maximum number of generators proposed to be tested or operated at any one time,
- Testing duration for each generator (including warm-up and cool-down periods),
- Load during generator testing or operation,
- Time of the day testing or operation will occur,
- Total number of cumulative hours generators will be operated per annum.

3. Assessment of air quality and noise impacts

Proposals should prepare a Noise and Vibration Impact Assessment (NVIA) and Air Quality Impact Assessment (AQIA). These assessments should be prepared in accordance with:

- Approved Methods for Modelling and Assessment of Air Pollutants in NSW 2022
- Noise Policy for Industry 2017 (including testing, maintenance and emergency operation of generators)
- Interim Construction Noise Guideline

Modelling

Assessment reports should provide appropriate modelling for reasonable worst case impacts during construction, operation and emergency situations (ie. power outages). Assessment of operational impacts should consider all use of generators associated with testing and facility and infrastructure maintenance.

Mitigation

Assessment reports should include an appropriate level of information as required by the relevant guidelines on proposed mitigation and management measures, including:

- Noise – A detailed feasible and reasonable assessment of mitigation consistent with Chapter 3 of the Noise Policy for Industry (NFI). This includes impacts from emergency scenarios which may consider the likelihood, frequency and duration of emergency events as part of the assessment.
- Air – Proposals should justify the selection of proposed plant and commit to replacement of generators with best available technology.
- Emergency scenario - The potential and extent of any air quality and noise impacts should be considered, particularly on any sensitive land uses (residences, schools, aged care

facilities etc.). Proposals should consider whether these impacts can be practicably prevented or minimised with appropriate mitigation measures and include notification protocols for impacted receivers/receptors.

Cumulative Impacts

Assessment reports should identify any nearby data centres (existing, approved or proposed) and any industrial activities that may result in cumulative air or noise impacts. Proposals should also address any staging where operations and construction of later stages overlap.

Where there is a likelihood of cumulative impacts, proposals should include detailed quantitative assessments and consideration of whether these impacts can be practicably prevented or minimised, including mitigation measures such as coordinating testing times and scheduled maintenance works with other nearby data centres or industries.

Compliance with *Protection of the Environment Operations (Clean Air) Regulation 2022*

Where a data centre, or future changes to a data centre, exceed the threshold for Energy Generation (back-up generators – 200hr/pa) in the POEO Act and require an EPL, the EPA will not be able to issue a licence unless all back-up generators (ie. stationary reciprocating internal combustion engines) comply with the emission concentration limits outlined in Schedule 2 of the Clean Air Regulation, including the NO_x limit of 450mg/m³. The applicable reference conditions for reporting the measured emission concentrations are outlined in Schedule 3 of the Clean Air Regulation.

4. Greenhouse Gas Emissions

Proposals are to provide GHG emissions estimates and consider whether they will exceed 25,000t CO₂-e per annum during its operational life, which would trigger reporting under the National Greenhouse and Energy Reporting (NGERs) scheme.

Proposals not requiring an Environmental Protection Licence will not be subject to the requirements in the NSW Large Emitters Guide (the guide). However, the EPA encourages consistency with the principles of this guide to reduce scope 2 emissions as much as practicable. EPA also encourages consideration of the following measures to reduce scope 2 emissions (see Box 8 p27 in large emitters guide).

- Energy efficiency practices,
- Installation of on-site renewable power generation,
- Purchasing renewable energy certificates,
- Entering into green power purchase agreements.

Should any GHG commitments be made, DPHI should consider including those GHG commitments as part of conditions of consent for the project.

5. Waste Management

For data centres that include forms of Battery Energy Storage Systems (BESS), proposals should include details about the amount of waste batteries proposed to be stored on the premises at any one time and appropriate fire management measures proposed, including separation and storage of any contaminated fire-fighting water.

The proponent should also be made aware that an EPL is required to transport higher risk wastes (classification of waste batteries should be applied in accordance with EPA's waste classification guidelines) and waste tracking requirements also apply.

Compliance with relevant dangerous goods transport legislation is required when transporting batteries considered as dangerous goods (as per the Dangerous Goods (Road and Rail Transport) Act 2008).