

16 April 2026

Jeffery Peng
Principal Planning Officer
Department of Planning, Housing and Infrastructure

Via: NSW Major Projects Portal

**EPA Advice on Submissions Report
NextDC S5 Data Centre – SSD-63168959**

Dear Jeffery

I am writing in response to your request for advice from the NSW Environment Protection Authority (EPA) on the Submissions Report for the proposed Next DC S5 Data Centre at 269 Lane Cove Road, Macquarie Park.

The EPA has reviewed the following documents:

- *Response to Supplementary Submissions – Urbis – March 2026*
- *Air Quality Technical Note – ARUP – 30 March 2026*

The EPA understands the proposal is a 90MW data centre, including:

- Staged construction and operation of Buildings A and B,
- A total of 48 back-up diesel generators (3MW),
- Total operation of diesel generators will not exceed 200hrs/pa,
- Total capacity of approx. 1,360t of diesel storage.

The EPA considers that the matters raised in previous EPA advice to the Department of Planning, Housing and Infrastructure (DPHI) have not been fully addressed in the Submissions Report. The EPA has the following further advice for consideration by DPHI as part of its assessment.

Matters for consideration

1. Operation of back-up diesel generators

The Air Quality Technical Note indicates that operation of the diesel generators proposed as part of the development will not exceed the 200-hour threshold for back-up plant in Schedule 1 (Clause 17 Electricity Generation) of the *Protection of the Environment Operations (POEO) Act 1997*.

The EPA advises that calculation of “operating” hours should include all generator operation, regardless of load or activity. The advice in **Attachment A** is provided to assist in this regard.

The Technical Note does not appear to address all potential generator operation, including:

- Justification of why no warm-up time has been included in calculating operating hours,

- Details of any diesel generator operation associated with routine facility and infrastructure maintenance,
- Allowance for unplanned generator use, particularly with regard to any circumstances that involve facility/infrastructure issues or network voltage disturbance, grid firming or load shedding,
- Any plant warranty requirements – noting reduced cool-down periods and a single annual test for generator maintenance is proposed.

The EPA advises the Air Quality Impact Assessment should model the reasonable worst-case operating scenario. Consideration should be given to whether multiple generators will be required for routine activities like maintenance of facility, site or network infrastructure. Where this is identified, the proposal should revise modelling and consideration of cumulative impacts with other data centres, to address the potential risk of additional exceedances of air quality assessment criteria.

Where back-up diesel generators operate more than 200 hours per year, the EPA advises the proposal would need to comply with the Group 6 emission limits in Schedule 2, Part 2 of the *POEO (Clean Air) Regulation 2022*, including the NO_x limit of 450mg/m³.

Should DPHI be satisfied that the proposal will not exceed the thresholds in Schedule 1 of the POEO Act, the EPA suggests any draft conditions for the proposal consider requirements for limiting operating hours and monitoring and reporting for all on-site generator use.

2. Issues raised in previous responses

We refer to the EPA's previous submissions on the project dated 15 December 2025 (DOC25/1007238-7) and 29 January 2026 (DOC26/1007238-8).

On the basis that the proposal does not appear to require an Environment Protection Licence (EPL) under Schedule 1 of the POEO Act, the EPA notes:

- Air Quality - The EPA notes the Proponents response to assessment of proposed residential towers. The EPA recommends DPHI consider the potential for air quality and noise impacts on future residential receivers as part of its assessment.
- On-site recycled (blackwater) treatment plant - The EPA notes the Proponent has advised the proposed recycled water treatment plant has been removed from the proposal.
- Greenhouse Gas - The EPA notes the revised GHG Assessment addressing the NSW Guide for Large Emitters. The EPA recommends DPHI consider implementing the commitments made in the GHG assessment as part of any draft conditions for the project.
- Recommended conditions - The EPA continues to suggest DPHI consider the recommended considerations for conditions relating to contamination and storage of hazardous materials as part of preparing any draft conditions for the project.

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

Yours sincerely



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NSW Environment Protection Authority

Attachment A – General advice regarding requirements for stationary reciprocating internal combustion engines under Protection of the Environment Operations (Clean Air) Regulation 2022

The EPA provides the following guidance regarding relevant requirements in the Clean Air Regulations for consideration by DPHI and Proponents to assist in determining applicable emissions limits where proposals may require an EPL and use stationary reciprocating internal combustion engines for emergency back-up electricity generation.

1. The Clean Air Regulation requires all plant, including stationary reciprocating internal combustion engines (e.g., diesel generators) operating on a licensed premises to comply with air impurities standard of concentration (i.e., emissions limits) outlined in Schedule 2.
2. The Clean Air Regulation groups activities or plant operated within the premises into six Groups. Different emissions limits apply to different groups.
3. Activities carried out, or plant operated, on scheduled premises that commenced operating on or after 1 September 2005 belong in Group 6.
4. Please see Section 73 of Clean Air Regulation for exemptions for emergency electricity generation from the air impurities standard of concentration for nitrogen dioxide (NO₂) and nitric oxide (NO) in Schedule 2, Part 2, Division 3.
5. The EPA considers that operate includes all activities and scheduled testing if the internal combustion engines are turned on, and would count towards the 200 hours threshold.
6. The EPA considers that plant is interpreted to include all stationary reciprocating internal combustion engines on the premises collectively.
7. The calculation of the total number of hours the plant is operated must account for the cumulative hours during which an individual generator, a cluster of generators or all generators are operated. For example, whether an individual generator, a cluster of generators or all generators are operated during the same hour, this will count as one hour.