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INTELLIGENCE UPDATE

EED reporting limps out of the gate



The European Commission introduced the EU Database on Data Centres and the direct reporting process to both data center operators and EU member state staff in a webinar on September 6, 2024. While the database is up and running, member states have yet to establish their processes to provide IT operators with their entity and data center ReferenceIDs — a prerequisite for reporting data to the database. The Commission clearly stated that data center operators should not report their data for a given country until they have received these ReferenceIDs from the member state coordinator.

As a result of the slow rollout, the Commission and the EU member states (less Germany and the Netherlands, which already have national laws and earlier submission dates) are not enforcing either the Energy Efficiency Directive's (EED) original May 15, 2024 reporting date or the delegated regulation's September 15, 2024 reporting deadline. Data center operators must still report their 2023 operating information and key performance indicators (KPIs), which include total and IT energy consumption, renewable energy consumption, water consumption, and waste heat output, where the data is available. The delegated regulation does allow an operator to omit this data if they did not have systems in place to collect the data in 2023. Uptime Intelligence detailed the EED reporting requirements in *EED delegated regulation is finally final*.

Reporting to the EED database

The Commission described the database reporting process in a webinar (see <u>Presentation of the</u> <u>European database on data centres</u>). The EU Database on Data Centres will reside on the EU's online reporting system, ReportENER, within the Data Centre Energy Efficiency section of the platform. The Commission maintains the data entry platform, while the administration, access control and data quality management are the responsibility of the member state coordinators.

Data center operators must set up an account on the ReportENER platform for each country in which they operate data centers. Operators must work with their member state coordinator(s) to (1) establish their "represented reporting entity" designation, which is required to create their ReportENER platform account, and (2) obtain their data center IDs. If operations reside in four

different countries, for example, then the operator will need to interact with four different member state representatives to establish their country-level access accounts and obtain their data center IDs.

The names and contact information for the member state coordinators and all other information relevant to the reporting process, such as a frequently asked questions and document and user manuals, will be published online (visit the <u>Energy Efficiency Directive</u> webpage).

Once the operator has received their "represented reporting entity" designation from the member state representative, they can establish their ReportENER account for that country. The process is described in the European database user manual (download the <u>ReportENER User</u> <u>Management Manual</u>) as well as the presentation (download the <u>Presentation of the European</u> <u>database on data centres</u>). The account enables operators to submit their data, edit the data while a submission is pending, request the record to be reopened during the submittal period and view the data after the submission period has closed.

The Commission recommends using functional, rather than personal, emails to set up each account — this is to simplify account management and ensure consistent access for data management. To maintain the security and accuracy of their data, operators will need to establish an internal business process to reassign accounts and change account passwords when a new coordinator is assigned to a country account.

After the creation of the country account, the operator can associate their data center IDs with their account and submit their data. The presentation was not clear on the exact process, but the data center IDs will either be pre-populated by the member state coordinator to the operator's account or the operator will add a record to their account for each of their data center IDs.

The Commission is building and testing an autoloading function to enable an operator or member state coordinator to upload the data for one or more data centers directly. This is projected to be available by mid-October 2024.

As it currently stands, Germany and the Netherlands are the only two countries that are collecting information and KPIs locally and reporting them to the database. The remaining countries are expected to require operators to report directly to the European database.

The reporting process for the 2023 operating year is likely to extend into the first quarter of 2025, given that some countries may require several months to develop their entity and data center registration processes and identify their coordinators.

Further, the publishing of the submitted reports in the Netherlands suggests that many data center operators are unprepared to make their reports. The Netherlands currently has 80 reported facilities, of which only three are enterprise data centers, despite the July 15, 2024 reporting deadline. The 80 data centers are significantly fewer than the reported Netherlands data center counts of 128 (according to the Dutch Data Center Association) and 296 (according to Cloudscene). It appears that, three months after the original due date, many data centers

located in the Netherlands have yet to submit their reports.

Data center operators should monitor the Energy Efficiency Directive webpage for the posting of the member state coordinator's contact information. They should be prepared to begin the registration and data reporting processes as soon as their member state coordinators are identified to demonstrate due diligence in a timely submittal of the required data.

The May 15, 2025 delegated report

The Commission is preparing to initiate the next delegated report, due to be submitted to the European Parliament by May 15, 2025. The EED legislation tasked the Commission with identifying additional data and KPIs for reporting and assessing the need for and structure of a data center rating scheme or minimum performance thresholds.

The Commission is currently selecting the consultant to prepare the delegated report, with the consultation expected to begin at the end of October 2024. As with the EED development, Uptime Institute will track and report on the progress of the delegated act activities. Data center operators should consider engaging directly in the process because there is the potential for several proposals that could significantly affect data center operations:

- The reporting of the average utilization of installed server and storage equipment. This requirement was in both the draft delegated regulation and Germany's Energy Efficiency Act circulated in the middle of 2023; however, it was removed from the final version. German regulatory authorities and non-governmental organizations, such as the environmental research body Oko Institute, may advocate the addition of these two KPIs.
- Several labeling proposals are circulating that incorporate facilities and IT KPIs to increase the visibility of data center-specific KPIs and scrutiny of data center operations. Operators need to understand how their operations will be assessed under a proposed rating system and provide feedback to improve the accuracy of the potential rating thresholds for metrics such as PUE, water usage effectiveness (WUE), and renewable energy factor (REF).
- Germany may advocate incorporating its performance thresholds for PUE, REF and energy reuse factor (ERF) to level the playing field for its data center operators.

The Commission has been receptive to well-considered comments based on operating data and experience. It wants to create requirements that facilitate improvements in data center efficiency and reductions in carbon emissions while maintaining the flexibility operators need to manage their facilities. It is critical that data center operators provide input to support and direct the final outcome of the delegated report process.

The Uptime Intelligence View

The EU Database on Data Centres is ready to receive reports as required by the EED and its delegated regulation, but most EU member states still need to put processes in place to enable operators to register their data center facilities. Because of the extended rollout of the database,

the first reporting period will likely extend into 2025. Operators need to be patient with their country coordinators and diligent in preparing their data so it can be submitted following the registration of their data centers.

The development of the EED regulations does not end with this data report. Beginning in October 2024, the Commission will initiate a study of additional, reportable information and KPIs, and a recommendation for an EU-wide data center labeling scheme and/or minimum performance thresholds. Operators need to engage in the process of developing the report and share their experiences and data to inform and influence the final recommendations made in this study.

Note: The regulatory analysis provided in this report is the opinion of Uptime Intelligence. Data center operators should validate the interpretations with their legal staff and any relevant regulatory authorities.

Other related reports published by Uptime Institute include: **EED reporting deadlines are clarified EED delegated regulation is finally final**



Jay Dietrich

Jay is the Research Director of Sustainability at Uptime Institute. Dietrich looks beyond the hype to analyze the transformations required in energy and IT systems, data centers and software management systems, and intraorganizational collaboration, both within and between companies, to deliver sustainable data center operations.

jdietrich@uptimeinstitute.com

About Uptime Institute

Uptime Institute is the Global Digital Infrastructure Authority. Its Tier Standard is the IT industry's most trusted and adopted global standard for the proper design, construction, and operation of data centers – the backbone of the digital economy. For over 25 years, the company has served as the standard for data center reliability, sustainability, and efficiency, providing customers assurance that their digital infrastructure can perform at a level that is consistent with their business needs across a wide array of operating conditions.

With its data center Tier Standard & Certifications, Management & Operations reviews, broad range of related risk and performance assessments, and accredited educational curriculum completed by over 10,000 data center professionals, Uptime Institute has helped thousands of companies, in over 100 countries to optimize critical IT assets while managing costs, resources, and efficiency.