INTELLIGENCE UPDATE

# French data center policies affecting sustainability


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France is a top 10 data center market globally, with most of its capacity located in the greater Paris area and hubs in Lille, Lyon, Marseille and Strasbourg. Data centers currently consume around 2-3% of the country's grid energy — a share that is expected to grow rapidly in the coming years.

This report looks at six frameworks for data center sustainability reporting in France. It starts with a policy for tax incentives, two national energy efficiency regulations, and France's approach to the EU Energy Efficiency Directive (EED). Unlike many EU member states, France already had reporting rules in place prior to the EED, creating additional complexity for operators working in the country.

This analysis then considers a voluntary eco-design framework for IT services, which includes hosting-related criteria. Finally, the report outlines a new initiative that aims to fast-track data centers of national importance by easing certain environmental and urban planning rules.

## Regulations and incentives

**Table 1** provides an overview of the tax incentive scheme and three energy efficiency regulations relevant to data centers. Reporting under all four frameworks is conducted per facility, rather than in aggregate across an operator's entire data center portfolio.

The incentive scheme — Tax reduction for energy-intensive activities — was approved for data centers in 2019. It applies to facilities with an average power consumption exceeding 114 kW, which includes most data centers.

Décret tertiaire reporting started in 2022 (for all tertiary activities) and includes performance targets for data center PUE. This was followed by a national reporting framework for commercial data centers (excluding enterprise data centers) with an annual turnover above €10 million ex-VAT (around $11.7 million), issued by the regulatory authority ARCEP — based on French law *Code des postes et des communications électroniques* (CPCE). The most recent development is

the national transposal of the EU Energy Efficiency Directive (EED), which is expected to introduce minimum performance standards from 2026/2027 onward.

Table 1 Tax incentive and reporting systems for data center energy efficiency

| Reporting frameworks | Tax reduction for energy-intensive activities | Décret tertiaire | ARCEP Decision No. 2022-2149 | EED, French transposition |
|---|---|---|---|---|
| **First year of reporting** *(data for previous calendar year)* | 2019 | 2022 | 2023 | 2024 |
| **Minimum threshold for reporting** | 1 GWh/year electricity consumption<br>(114 kW average power usage) | Building floor area 1,000 m².<br>Reporting is required for smaller server rooms (and related work areas) within such buildings. | Annual turnover of €10m (ex-VAT).<br>Only applies to operators that host IT infrastructure for others. | 500 kW installed IT power demand. |
| **Reporting requirements** | Implement EMS<br>Adhere to a recognized benchmark of good energy practices | Report data on buildings and energy consumption to the OPERAT platform. | Report data to ARCEP including on buildings, energy use, water use, cooling system type and greenhouse gas emissions | Implement EMS<br>Implement waste heat recovery (unless infeasible)<br>Report on (up to 31) specified data points to an EU database. |
| **Performance targets** | None today but PUE, WUE and/or utilization considered. | PUE as a minimum performance standard | | Minimum performance standards expected 2026/2027<br>(PUE, WUE, REF) |

*EMS: energy management system; REF: renewable energy factor*

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In addition to the initiatives presented in **Table 1**, cloud service providers must inform their clients about the environmental impacts of their services under *Sécuriser et Réguler l'Espace Numérique* (SREN), for which a draft decree has been published (see *Law No. 2024-449*).

## Décret tertiaire

The Décret tertiaire (Decree No. 2019-771) applies to all tertiary-sector buildings in France, that is buildings primarily used for services rather than production or agriculture. This includes data centers with a total usable surface area exceeding 1,000 m² (10,700 ft). Smaller server rooms within such buildings are also subject to reporting requirements. Adopted in 2019, the decree mandated the first reporting in 2022 (for the 2021 operating year). Energy declarations are due every year by September 30, covering the previous year's consumption.

Owners or operators must declare their energy consumption and related information via the

OPERAT platform, which is managed by ADEME (the French Environment and Energy Management Agency).

The decree is widely applied, requiring most buildings to reduce their total energy consumption from a baseline year — for example, a 40% reduction by 2030 compared with 2015, followed by higher reductions for 2040 and 2050.

For data centers, operators can aim for a target PUE value instead of reducing total energy use, since energy demand is expected to grow with increased digitization. The 2030 operational PUE targets are shown in **Table 2**. These are based on the area occupied by IT equipment (if part of a larger building) or the total floor area (for standalone data centers). Adjusted target PUE values are also provided for data centers in unfavorable climate zones, such as high-altitude locations.

Table 2 Décret tertiaire PUE targets for 2030

| Data center size | Target operational PUE | Adjusted target operational PUE (unfavorable climate zone) |
|---|---|---|
| Local server area (>20 $m^2$) | 2.0 | 2.0 |
| Server room (20-100 $m^2$) | 1.8 | 1.8 |
| Mini data center (100-500 $m^2$) | 1.6 | 1.72 |
| Small data center (500-1,000 $m^2$) | 1.6 | 1.72 |
| Medium data center (1,000-5,000 $m^2$) | 1.4 | 1.51 |
| Large data center (5,000-10,000 $m^2$) | 1.4 | 1.51 |
| Very large data center (>10,000 $m^2$) | 1.2 | 1.29 |

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The PUE targets may be revised for future revisions of the regulation. The decree can allow for the use of adjusted targets if technical (including critical operations), architectural or economic constraints apply. Any exemptions must be justified and documented on the OPERAT platform.

Failure to comply with the decree may result in financial penalties of €7,500 ($8,800) per building. Non-compliant entities may also be publicly identified (i.e., named and shamed), which could negatively impact their reputation — particularly for large corporations and public institutions — and lead to increased regulatory scrutiny. Penalties may be reissued in cases of continued non-compliance.

## ARCEP Decision No. 2022-2149

ARCEP (Autorité de régulation des communications électroniques, des postes et de la distribution de la presse) is France's regulatory authority dedicated to ICT companies, operating independently of the state government. In 2022, ARCEP issued Decision No. 2022-2149, which

has been gradually expanded to cover the annual collection of environmental data from data center operators, telecom operators, and manufacturers of devices and equipment. ARCEP uses this collected data to generate statistics, report on environmental footprint and inform sector regulatory decisions.

The regulation applies to colocation and co-hosting data center operators (including cloud service providers) with an annual turnover exceeding €10 million ex-VAT (around $11.7 million). Organizations that operate their own data center solely for internal use are exempt from reporting.

Data center reporting must include the facility name, operator, location, floor area, energy metrics (including for servers), water usage, cooling system type and total greenhouse gas emissions per site.

## The EU Energy Efficiency Directive

France has transposed the EU Energy Efficiency Directive (EED) provisions relating to data centers into national law. Article L.236-1 of the French Energy Code states that "administrative, environmental and energy information relating to the operation of data centres with an installed capacity of server rooms and IT operations centres greater than or equal to 500 kilowatts shall be transmitted to the digital platform made available by the European Commission."

The EED regulation specifies up to 31 data points (depending on operator type) that must be reported. Most operators are also required to implement an energy management system (EMS), such as ISO 50001.

Operators mentioned in the French Defence Code (Articles L.1332-1 or L.1332-2) and data centers used exclusively for defense or civil defense purposes are exempt from the above reporting requirements.

In addition, for data centers exceeding 1 MW, a waste heat recovery system must be established under the newly introduced Article L.236-2 — unless this is shown to be technically or economically infeasible. Operators can seek funding for heat recovery systems from the ADEME heat fund (Fonds Chaleur). Article L.236-2 does not provide direction on how operators should demonstrate infeasibility; this is left open for them to figure out. Such direction is expected from an upcoming decree in the Council of State, although no publication date has been announced. Meanwhile, guidance on waste heat recovery projects is available through general and data center-specific guidelines issued by ADEME, as well as a decree concerning combustion installations.

Decrees specifying the implementation details of Articles L.236-1 and L.236-2 — including possible penalties for non-compliance — are expected in the fall of 2025.

The European Commission has suggested minimum performance standards (MPS) as the next step for the EED (see *EED status update: implications for data centers*). The directive's proposed

MPS would require existing data centers to have an operational PUE below 1.5 by 2030. This target is notably lower (more challenging) than the Décret tertiaire 2030 requirement for data centers with up to 1,000 $m^2$ (10,700 ft) of floor space, which has a PUE target of 1.6, and is significantly lower than the PUE target of 1.72 for similar data centers in unfavorable climate zones.

While France can choose to set more aggressive MPS values than those under the EED, it cannot set more lenient values. It is worth mentioning that France (and other EU member states) have significant ability to alter MPS values during the consultation period, including the final member state review.

## Tax reduction for energy-intensive activities

France offers tax reductions for energy-intensive activities, including data centers, through the *accise sur l'électricité*. To qualify for reduced electricity tax rates, data centers must:

- Consume more than 1 GWh per year. The reduced rate applies to consumption above this threshold. For reference, 1 GWh per year corresponds to an average power use of 114 kW, meaning that most data centers will be of sufficient scale for the tax reduction.
- Implement an ISO 50001-certified energy management system. Equivalent systems may also be accepted.
- Adhere to a recognized benchmark of good energy practices, sanctioned by a public, national or international public authority. This must consider areas such as eco-design of digital services (see below), energy efficiency, monitoring, waste heat reuse (with cost-benefit analysis) or meeting energy use efficiency targets, and limiting water use for cooling purposes. The EU Code of Conduct for Data Centres is one such benchmark.

An officer from the French Ministry of Energy has informed Uptime Intelligence that quantitative requirements — including those for PUE (unless waste heat is reused) and WUE — are being discussed for future updates to the tax reduction policy. A high server load rate may be used as an indicator that a facility operates close to its design PUE.

# Eco-design of digital services

The French General Reference for Eco-Design of Digital Services, RGESN (Référentiel Général d'Écoconception des Services Numériques), is a voluntary framework aimed at integrating environmental best practices into the life cycle of digital services. Version 2 of the RGESN was published in May 2024 by regulatory authorities ARCEP and ARCOM (Autorité de régulation de la communication audiovisuelle et numérique), in collaboration with ADEME and other public entities (see *Référentiel général d'écoconception de services numériques — 2024*).

RGESN v2 is mainly focused on IT and software, but several of its 78 criteria concern hosting. Under these, digital services should be hosted in a way that:

- Minimizes PUE and WUE.
- Uses a documented electricity supply, mainly from renewable sources.
- Efficiently process the heat generated by servers.
- Is in a geographical location consistent with the service provided and that minimises the environmental footprint.

While the deployment of RGESN v2 is not yet common, it is expected to become mandatory for certain public entities. This shift will likely affect data center operators participating in public IT procurement.

# Bill on the simplification of economic life (proposed)

The bill on the simplification of economic life was introduced in April 2024 by the French Ministry of Economy as part of a broader action plan on simplification and digital sovereignty. Parliament has not yet adopted the bill.

Article 15 of the bill adds very large data centers (with a suggested threshold of 40 hectares) to the category of projects of national public interest (Projet d'Intérêt National Majeur, PINM). Such a designation allows a few selected projects to be fast-tracked, with the state — rather than the local mayor or municipal council — responsible for issuing permits. This status can enable bypassing specific local environmental and urban planning procedures, including mandatory environmental assessments and public consultations. Importantly, projects of national interest can also receive faster zoning approvals and prioritized access to the electrical grid.

Environmental groups and other critics argue that the bill weakens environmental oversight, limits democratic participation and may compromise biodiversity.

As a next step, a decree is being prepared that will include criteria for which data centers qualify as PINM. The decree must be published — no date has been announced so far — before any data center can be designated as PINM.

## The Uptime Intelligence View

Many French data center operators will be mandated (and/or find it beneficial) to report under several of the six frameworks presented in this report. However, preparing separate reports for each framework can make the overall reporting effort duplicative and needlessly complicated.

There is a strong case for centralizing — across all data centers in a portfolio — equipment inventories, energy invoices, data from meter readings, carbon footprint calculators, and other relevant information. The goal should be to reuse the same dataset across all regimes, with outputs formatted to meet each framework's requirements. The OPERAT platform, for instance, provides an external API for automated Décret tertiaire reporting.

On a facility level, operators should seek to automate and standardize metering and data collection systems as much as possible, feeding into the central data storage. Operators with data centers in France should closely follow regulatory developments, including upcoming decrees related to existing laws, new EU regulations and their transposition to French law, and potential changes from future harmonization of regulations.

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

The following experts were consulted for this report:
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## ABOUT THE AUTHOR


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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.