

INTELLIGENCE UPDATE

Draft EED delegated regulation sidesteps critical issues



Jay Dietrich 9 Apr 2026

The European Commission has published the draft [Energy efficiency — rating scheme for data centres in Europe](#), proposing amendments to Delegated Regulation (EU) 2024/1364, with comments due by April 23, 2026. Uptime Intelligence will prepare, submit and publish its detailed response by April 15, 2026.

The proposed rating scheme introduces a simplified label that should be broadly acceptable to data center operators (see **Figure 1**). Unfortunately, it does not address IT infrastructure efficiency.

The draft regulation and annexes introduce several constructive improvements including:

- The addition or refinement of several location and key performance indicator (KPI) definitions, the removal of the data traffic indicators.
- A limitation on the responsibility of colocation operators for reporting the ICT capacity indicators.
- The introduction of operator data certification and member state market surveillance requirements.
- A reporting process for data centers in the design phase and small data centers.

On the negative side, the Commission proposes a change to the guarantees of origin (GOs) definition that makes many GOs unusable as offsets and will potentially create irreconcilable accounting inconsistencies between GO- and power purchase agreement (PPA)-based offsets.

The proposed changes did not resolve key shortcomings that have limited the effectiveness of the data reporting framework. The proposed changes to the reporting framework do not appear to resolve the data confidentiality concerns or provide the definitions, nor do they provide the methodologies needed to consistently calculate and report server (Cserv) performance and storage (Cstor) capacity.

Draft data center rating scheme

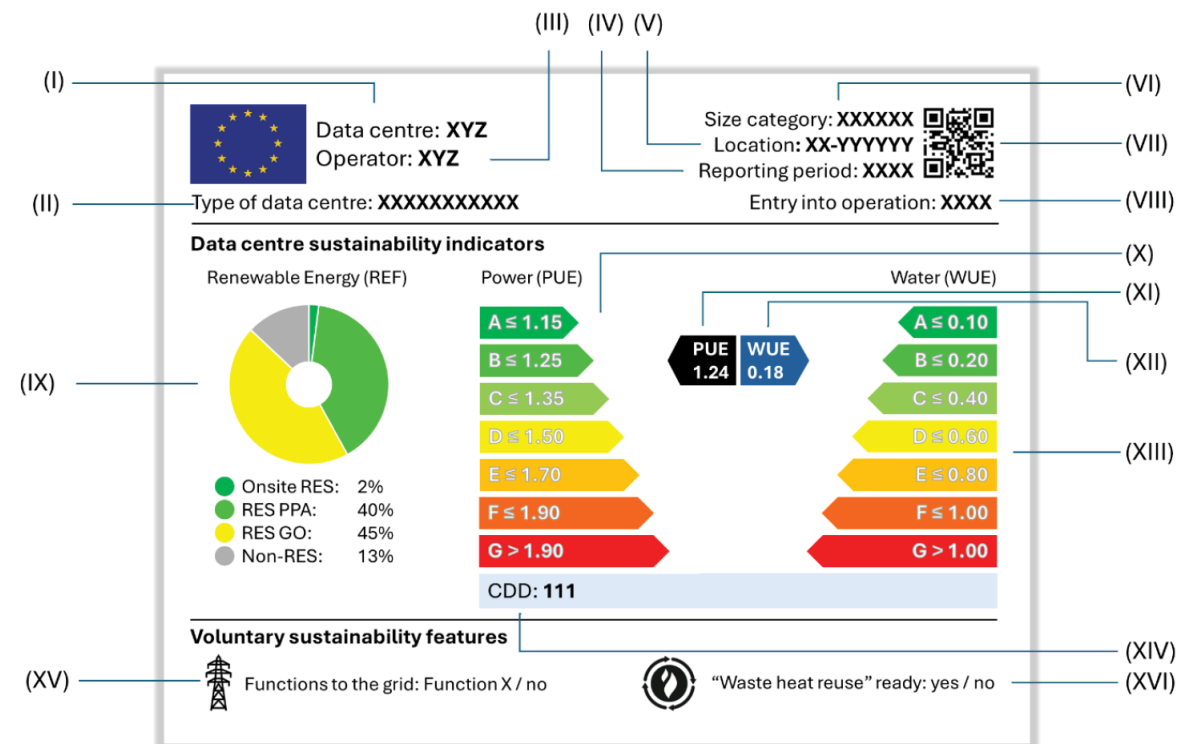
The Commission has opted to create a simplified rating label compared to the proposal in the [Second Technical Report \(October 2025\)](#). The first label will be made available from the EU database on data centres for the 2026 operating year on August 15, 2027 and for the subsequent operating years every August 15 thereafter.

The KPIs reported by the label are (see **Figure 1**):

- The PUE and WUE values.
- The cooling degree days (CDD) based on the data center location.
- The quantity of the different types GOs applied to the location's energy consumption.
- The provision of grid functions.
- Whether the data center is configured to supply waste heat.

Figure 1 Proposed EU energy efficiency label

I	Data centre name (value from Commission Delegated Regulation (EU) 2024/1364, Annex I, point 1(a)).
II	Type of data centre (value from Commission Delegated Regulation (EU) 2024/1364, Annex I, point 1(d)).
IX	The percentage of ERES-OS, ERES-PPA, and ERES-G00 in the EDC (values from Commission Delegated Regulation (EU) 2024/1364, Annex II, points 1(o), (q), (p), and (r)).
XV	Electrical grid functions or not (value from Commission Delegated Regulation (EU) 2024/1364, Annex II, point 1(f)).
III	Owner/operator of the data centre (value from Commission Delegated Regulation (EU) 2024/1364, Annex I, point 1(b)).
IV	Reporting period that the label refers to (value attributed by the European database).
V	Location of the data centre (value from Commission Delegated Regulation (EU) 2024/1364, Annex I, point 1(c)).



VI	Size category of the data centre determined in accordance with Commission Delegated Regulation (EU) 2024/1364, Annex IV (value attributed by the European database).
VII	QR code (value attributed by the European database).
VIII	Entry into operation (value from Commission Delegated Regulation (EU) 2024/1364, Annex I, point 1(e)).
X	Scale of PUE classes from A to G (value attributed by the European database).
XI	The PUE class determined in accordance with Annex II (value attributed by the European database).
XII	The WUE class determined in accordance with Annex II (value attributed by the European database).
XIII	Scale of WUE classes from A to G (value attributed by the European database).
XIV	Cooling degree days (value from Commission Delegated Regulation (EU) 2024/1364, Annex II, point 1(n)).
XVI	Whether the data centre is 'waste heat reuse' ready or not (value from Commission Delegated Regulation (EU) 2024/1364, Annex II, point 1(j)).

SOURCE: EU COMMISSION DRAFT ANNEXES TO THE DELEGATED ACT (26 MARCH, 2026)



The label could be improved by identifying whether the facility deploys a dry or evaporative

system as the cooling system type provides a context for the level of water use. The Commission has added definitions for a closed (dry) and semi-closed (evaporative) cooling systems. The appropriate system type for a facility could be printed to the right of the CDD value.

The label will be accessible via a QR code generated directly from the EU database on data centres. Operators must provide free access to the label through their website or through a published link to the EU database on data centres. Operators are prohibited from creating and displaying a label that mimics the EU label to provide their own explanation of their performance.

Missing label information

The Commission continues to ignore IT infrastructure performance as an efficiency indicator, despite its accounting for up to 80% of energy consumption and driving cooling energy demand. The lack of IT efficiency metrics on the label is a significant omission that diminishes its value.

Uptime Intelligence proposed that IT operators should report two metrics: the percentage of server infrastructure running at less than 10% average utilization and the percentage of server infrastructure operating with power management enabled as simple indicators of efficient IT performance. Higher percentages indicate a more efficiently operated infrastructure. These two metrics would enable a basic assessment of an IT operator's commitment to operating a more efficient IT infrastructure.

Label support

To support the label, the Commission will publish a generic fact sheet explaining the six sustainability metrics: PUE, WUE, CDD, renewable energy types and percentage, participation in grid services and heat reuse readiness. The fact sheet will explain how the facility location (type of climate and water stress levels), size, age and type affect the PUE and WUE value. It will also describe renewable energy types, the role of grid services and approaches to heat reuse readiness.

Uptime recommends that operators engage in developing this fact sheet, given the wide range of often conflicting interpretations of how location and facility characteristics influence affect PUE and WUE. The fact sheet should also discuss the role of GOs in offsetting consumption of electricity generated from fossil fuels, the limitations of grid support activities and the challenges of deploying heat reuse systems. Operators should consider publishing a facility-specific fact sheet that explains the PUE, WUE and renewable energy types and details any planned actions to improve the facility's energy efficiency and sustainability performance.

Label publication

The Commission believes that publishing the labels, alongside additional communications on reporting obligations, will encourage complete data submissions. However, Uptime Intelligence considers this assumption overly optimistic. For some operators, data confidentiality concerns are

likely to outweigh the scrutiny prompted by a blank label. Operators that do not report to the EU database on data centres will not have to face public scrutiny of their PUE and WUE data.

This projected outcome is unfair to operators that have provided full disclosures. While some operators will publicly display strong PUE and WUE performance, others will have poor results. The Commission has acknowledged that enforcement through member state legislation may be required if reporting does not improve. Uptime Intelligence believes such action should occur sooner rather than later.

Amendments to existing delegated regulation

The draft delegated regulation proposes a range of amendments to the current delegated regulation, including changes and additions to definitions, processes and regulatory requirements. The data values will be referred to as location data (Annex I EU 2024/1364) and KPIs or indicators (Annex II EU 2024/1364), although some of the data points such as the CDDs and electrical grid functions are not typically recognized as a KPI.

Data confidentiality

The Commission has attempted to strengthen the protection of the reported data in the EU database on data centres by clearly stating in amendments to Article 3 (paragraph 5) that the data is confidential and will be reported only in an aggregated form. However, the changes fail to reconcile the delegated regulation mandates with the competing requirement for public reporting in Directive (EU) 2023/1791. Article 12 (paragraph 1) directs member states to publicly report (typically construed as open publication available to all interested parties) the data listed in Annex VII "except for information subject to Union and national law protecting trade and business secrets and confidentiality."

As the delegated regulation, which is a European Union law, declares the reported data to be confidential, that should satisfy the Article 12 (paragraph 1) confidentiality requirement. However, the Netherlands publication of the submitted reporting sheets has ignored the delegated regulation clause. Operators are concerned that other member states will also publish reported data. The Commission should take steps to ensure the protection of data by both the EU and member states to put confidentiality concerns to rest.

Information and KPI definitions

The amendments to the existing delegated regulation add five new definitions (see pages 11 and 12 of the amendments to EU 2024/1364), update nine Annex II definitions (see pages 6 to 9 of the Annexes to the Delegated Act), and remove the data traffic indicators. The amendments fail to deal with the lack of clarity on the methodologies to be used to calculate Cserv and Cstor.

New definitions

A "quick response QR code" was added to Article 2 of the draft delegated regulation, while four additional definitions — waste heat reuse ready, freshwater, closed cooling water system and semi-closed cooling water system — were added to Article 5 of Delegated Regulation (EU) 2024/1364.

The QR code will be used to access a facility's energy efficiency label via the EU database on data centres.

The waste heat reuse ready and freshwater definitions were added to improve data reporting and the label information. The waste heat reuse ready field will enable interested parties to identify data centers that can supply waste heat even when not connected to an off-taker, identifying available heat resources. The freshwater definition replaces the potable water definition for the total water input value, capturing a greater range of water sources.

The closed and semi-closed cooling water system definitions appear to be added to identify evaporative and dry cooling external heat exchange systems. The definitions do not adequately differentiate between the IT space and external heat-transfer loops, thereby limiting their usefulness. Uptime Intelligence will provide alternative language to focus the definitions on the external heat exchange system type. In addition, the label would benefit from including the type of external heat exchange system to help explain the PUE and WUE information.

Modifications to existing definitions

Nine Annex II definitions were revised to better align with other environmental directives and initiatives or to clarify measurement boundaries and processes. While operators should assess the implications of these changes carefully, one proposed revision warrants particular attention.

Misguided change to GO accounting

The Commission proposes revising the total renewable energy consumption from GOs definition. In this renewable energy category, the draft amendment proposes that GOs must be generated in 15-minute intervals, time-matched to consumption and produced within the same bidding zone. These requirements represent a fundamental shift in GO accounting, effectively adopting draft GHG Protocol Scope 2 market-based requirements before they are finalized. Very few GOs are provided in 15-minute time intervals and the need for time and bidding zone matching will make most generated GoOs unusable for matching. If implemented, these changes would significantly increase the cost and complexity of achieving many operators' stated 2030 net-zero emissions targets.

In contrast, the definition of total renewable energy consumption under power purchase agreements (PPAs) imposes no equivalent time- or location-matching requirements. Depending on the location of the wind or solar generation facility, a PPA contract can provide time-matched and unmatched GOs in the same bidding zone as the data center or GOs that are outside the data

center bidding zone. As a result, a significant share of PPA-derived GOs will neither time-match consumption nor originate within the same bidding zone. However, they can still be used to offset emissions associated with fossil fuel generated electricity.

Changing the GO definition while retaining the PPA definition creates two inconsistent classes of GOs, complicating both accounting and reporting. Uptime Intelligence will recommend that the Commission retain the current definition of total renewable energy consumption from GOs.

ICT capacity indicators

The draft documents provide no guidance on the calculation methodologies for the server and storage product capacity indicators. Substantially different measurement approaches and capacity metrics are required to calculate C_{serv} (server ICT capacity) for conventional CPU workloads, AI training systems, and AI inference infrastructure — yet none are specified (see [Calculating work capacity for server and storage products](#)).

Similarly, there is no clear direction on which storage assets should be included when calculating C_{stor} . It is unclear whether storage equipment should encompass dedicated online and server-based storage systems, storage devices embedded within servers and/or other associated storage components within the data center.

Without defined scopes, metrics and methodologies for C_{serv} and C_{stor} , reported values cannot be compared, validated or meaningfully interpreted, rendering these indicators effectively unusable for regulatory or performance assessment purposes.

Colocation reporting of ICT capacity indicators. The Commission modifies the ICT capacitor indicator reporting process to absolve colocation operators of responsibility for data reporting completeness and accuracy. If tenants do not report this data for the 2024 to 2026 reporting years, the colocation operator can provide the reasons the data was not reported and leave the fields blank on their data submittal. This approach likely represents the best reporting strategy for the 2026 report, which is due on May 15, 2026.

For any subsequent reporting year with incomplete data, the operator can provide the aggregated reported data and estimate the percentage of the installed IT infrastructure that it covers.

Data traffic indicators

The reporting requirement for the four data traffic indicators has been removed from the delegated regulation. The removal of these indicators is appropriate, as there is no standard methodology for measuring the four indicators, and they provide little information on the operational efficiency of IT infrastructure.

The removal of this reporting requirement creates tension between the Directive (EU) 2023/1791 and the Delegated Regulation (EU) 2024/1364, because the directive requires member states to publicly report the data traffic indicators. Technically, the reporting requirement must be removed through an amendment to the Directive.

New EU database on data centres processes

The draft delegated regulation proposes two processes, one owned by the operators and the other by the member states, to improve and validate data quality and a voluntary reporting option for small and in-design data centers.

Operator data certification

Operators must have reported data certified against a recognized management scheme or standard by an accredited third-party auditor (proposed EU 2024/1364 Annex III(1)(f)). This certification must verify data monitoring, collection, validation and reporting processes specific to submissions to the EU database on data centres. Since the EED already requires a corporate level certified energy management system (EMS), whether an operator has one or tens or hundreds of data centers, data certification will be most efficiently incorporated into the broader EMS certification process.

Member state market surveillance

From 2026 onward, member states must report to the EU database on data centres on the completeness of national data submissions by August 15 of the reporting year. The period from May 15 to August 15 is intended for market surveillance activities to assess data completeness and validity. However, the absence of a comprehensive data center registration framework and limited enforcement authority make it difficult to identify all facilities subject to reporting obligations.

Voluntary reporting

The Commission has proposed adding two voluntary reporting categories to enable small data centers and data centers in the design process to receive a data center label.

- Data centers with less than 500 kW of installed IT capacity can make a voluntary report.
- For data centers in the design process, an operator can report the Annexes I and II information and estimated KPI values for the second calendar year after the initiation of operations. The data center will then report measured KPIs each reporting year after it begins operation.

The Uptime Intelligence View

The Commission has adopted a cautious, narrowly scoped approach to the data center rating scheme. The six required KPIs are largely non-controversial and Uptime Intelligence expects the path to the first published labels in August 2027 to be relatively smooth.

However, the scheme falls short of providing a clear view of data center operational sustainability across the EU. Neither the Commission nor the member states appear to have an

accurate inventory of data centers with an IT load of more than 500 kW. The use of GOs to calculate market-based emissions — resulting in zero reported emissions for about 80% of reporting sites in 2024 — obscures the true carbon footprint of energy consumption. IT infrastructure efficiency, which should be the dominant sustainability metric, is excluded. Without a robust system to identify, register, compel reporting, measure IT efficiency and publish operational energy and water use and carbon emissions data, the Commission will struggle to assess EU-wide sustainability performance.

Members are encouraged to review and comment on the proposed label, the revised and new definitions, the certification and surveillance processes, and other changes to suggest improvements to the wording and highlight any potential unintended consequences arising from these changes.

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.

ABOUT THE AUTHOR



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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 intra-organizational collaboration, both within and between companies, to deliver sustainable data center operations.

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About Uptime Institute

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Offerings include the organization's Tier Standard and Certifications, Management & Operations reviews and assessments including SCIRA-FSI financial sector risk assessment, the Sustainability Assessment, and a broad range of additional risk management, performance, availability, and related offerings. Uptime Education training programs have been successfully completed by over 100,000 data center professionals, such as the much-valued ATD (Accredited Tier Designer) and AOS (Accredited Operations Specialist). The Uptime Education curriculum has been expanded by the acquisition of CNet Training Ltd. In 2023.

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