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Position paper

on the draft Commission Delegated Regulation supplementing Directive (EU) 2023/1791 of the European Parliament and of the Council and amending Commission Delegated Regulation (EU) 2024/1364 as regards the establishment of a common Union rating scheme for data centres

Berlin, 23. April 2026

With the draft Commission Delegated Regulation published on 26 March 2026, supplementing Directive (EU) 2023/1791 of the European Parliament and of the Council and amending Commission Delegated Regulation (EU) 2024/1364, the European Commission aims to establish a common EU-wide scheme for rating the sustainability of data centres in Europe, pursuant to Article 33(3) of the Energy Efficiency Directive. The proposal also aims to simplify the reporting framework introduced under the first Delegated Regulation to the EED.

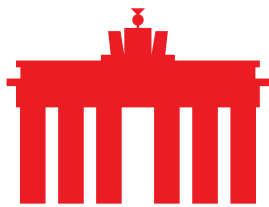
Data centres are the foundation of Europe's digital infrastructure. They are essential to the provision of fast and reliable digital services for critical infrastructure, businesses, and private users. Sustainable digitalisation must therefore be aligned with the performance and competitiveness of Europe as a data centre location. To this end, the specific characteristics and business models of digital infrastructure must be taken into account when developing measures to enhance resource efficiency in data-centre operations, while ensuring a level playing field across the European Union.

eco welcomes the Commission's proposal for a common efficiency-labelling scheme and invites the Commission to consider the following comments:

▪ **Labelling and reporting KPIs**

eco agrees that the mandatory Key Performance Indicators (PUE, WUE, REF) are appropriate for assessing the energy efficiency and sustainability performance of data centre operations. However, their effectiveness as regulatory metrics depends on the use of unambiguous and harmonised definitions at EU level. Definitions that leave room for national interpretation or that are inconsistent with existing EU regulatory frameworks would undermine legal certainty and reduce comparability across Member States.

Embedding climate normalization for PUE and WUE



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The current proposal for data centre energy and water efficiency labelling relies on uniform metrics such as PUE and WUE without accounting for Europe's significant climatic diversity and its impact on cooling system design and achievable efficiency levels. Climatic conditions, particularly ambient temperature, humidity and seasonal variation, are a key determinant of both the technical feasibility of free, evaporative and liquid-based cooling solutions and the water volumes required to maintain safe operating conditions.

Although Cooling Degree Days (CDD), trade-offs between PUE and WUE and impacts of local climate conditions on PUE are to be mentioned in an accompanying explanatory document as per the proposed Annex II point 3, they are not integrated into the core calculation of A–G classification used for comparison. This creates a risk that data centres in warmer regions are systematically penalised, while cooler regions are implicitly favoured, as most customers are likely to rely on the headline label rather than the accompanying document. Climate normalization of energy and water efficiency metrics must be embedded directly in the PUE/WUE calculation methodology.

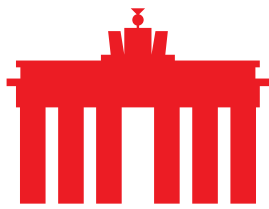
Moreover, it remains unclear whether responsibility for preparing the accompanying document lies with the Commission or with the operator. The distribution mechanism is likewise undefined, including whether the document is to be made available only upon request or stored permanently in the Commission's database. Clear guidance is required on these points in order to assess the expected administrative burden for operators.

Freshwater input (WIN-FRE)

It must be ensured that the definition of Water Usage Effectiveness (WUE) is unambiguous and harmonised across the EU. Diverging national interpretations would create legal uncertainty and undermine the comparability of reported data. In particular, a harmonised EU-level definition of "freshwater" is necessary to ensure consistent and meaningful WUE reporting across Member States. Allowing various national definitions would weaken the consistency of WUE-related reporting, distort cross-border comparisons, and reduce the value of WUE as an efficiency and transparency metric at EU level.

Waste-heat-ready (WHR)

While the inclusion of waste-heat-readiness as a voluntary metric is appropriate, it must be ensured that this does not lead to mandatory reporting requirements or blanket obligation beyond the requirements set out by Article 26(6) of the EED.



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WHR should be defined as the inclusion of appropriate design provisions in data centre planning that enable future connection to a heat off-taker once identified, rather than mandating the pre-installation of off-site infrastructure. Premature infrastructure deployment may result in assets that are poorly aligned with actual demand or technical requirements and are at risk of becoming obsolete. Allowing infrastructure to be developed once an off-taker is confirmed ensures that waste-heat upgrading and transfer systems are proportionate and aligned with the specific use case and stakeholder configuration. Otherwise, there is a risk that infrastructure investments are made simply to achieve KPI-conformity instead of being fit-for-purpose.

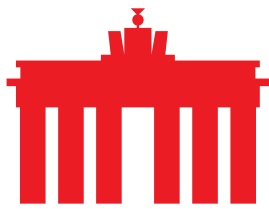
Ambiguity within the definition of WHR regarding the data centre boundary should be removed. The responsibility of data centre operators should be clearly limited to making waste heat available at a technically feasible exchange point located within the data centre boundary. While heat-exchangers are within the responsibility of the operator, infrastructure assets that are typically owned and controlled by district-heating operators such as heat-pumps and network components should be considered outside the data centre boundary and excluded from the scope of the definition. This exclusion of external infrastructure components should also be explicitly and consistently reflected in the definition of *total energy consumption* (EDC).

Grid services and flexibility

The inclusion of grid-related functions as a voluntary reporting metric is appropriate. However, it must be clearly ensured that the provision of grid services does not evolve into a mandatory reporting KPI or a de facto obligation for data centre operators.

Data centres are designed and operated according to an “always-on” principle, meaning they are intended to run continuously and without interruption. Depending on the respective business model, data centre operators have limited or no direct control over the utilisation of IT components, as workloads are primarily driven by customers, end users, and the specific requirements of the applications being operated. Workloads and associated resource demand can fluctuate significantly and are determined by external factors such as user behaviour and data volumes processed. This strongly limits the ability of data centres to actively and predictably adjust their electricity consumption in response to grid conditions without affecting service quality or contractual obligations.

A data centre-specific regulatory approach to “flexibility” should be avoided. In particular, the explicit addition of “flexibility” as a standalone category alongside



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concepts such as peak demand shifting or firm frequency response within the definition of electrical grid functions implies the creation of a data centre-specific interpretation of flexibility. This is especially problematic in the absence of a generally applicable, EU-level definition of the term. To avoid unnecessary regulatory complexity and fragmentation, a cross-sectoral definition of “flexibility” in the context of grid functions should first be established at EU level. Such a definition should be technology-neutral and applicable across all energy-consuming sectors. Only on this basis can voluntary reporting on grid-related functions be implemented in a consistent and comparable manner.

▪ **Reducing the regulatory burden**

eco asks the Commission to ensure that requirements are fully coherent with existing regulatory frameworks to avoid duplication and conflicting obligations. Clear alignment and proportionate implementation are essential to ensure practical applicability and to minimise unnecessary administrative burden on operators.

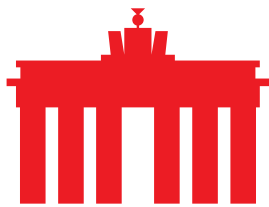
Reporting and labelling threshold and start date

The threshold for mandatory reporting and labelling being set at 500 kW power demand of the installed IT is appropriate and consistent with the EED. eco also welcomes the possibility for operators below the threshold to participate in the reporting and labelling on a voluntary basis. In order to avoid confusion and additional regulatory burden it should be clarified that the power demand of the installed IT is defined as *installed information technology power demand* in accordance with Annex II point 1 e) to Delegated Regulation 2024/1364. This is to ensure that colocation operators are able to rely on aggregated consumption data and are not required to establish additional internal reporting mechanisms solely to determine whether they fall above or below the applicable threshold.

Moreover, newly operational data centres should be exempt from producing a label for an initial period of two years after the start of operations. This approach is necessary to adequately reflect the typical ramp-up phase, during which the data centre operates under non-steady-state conditions. In this phase, IT load, occupancy rates, and supporting infrastructure utilisation gradually increase and may not yet be representative of normal, long-term operating conditions.

Ensuring coherence with EPBD and CSRD

Greater alignment is necessary between operational reporting requirements under the Energy Efficiency Directive (EED) and building-level obligations under the Energy Performance of Buildings Directive (EPBD) in order to avoid duplication,



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inconsistent methodologies, and potentially conflicting certification outcomes for the same data centre facility. Without clear coordination, parallel reporting and rating schemes risk increasing administrative burden without delivering additional transparency or policy value. It is therefore essential that the Commission ensures coherence between the proposed data centre rating scheme, EPBD energy performance certificates, and Corporate Sustainability Reporting Directive (CSRD) obligations, especially through consistent data definitions and calculation methodologies.

Ensuring coherence with RED III

Eligibility requirements for Guarantees of Origin for data centres must align with the framework set by Directive 2023/2413 (RED III). Consistency with RED III is essential to preserve non-discrimination, regulatory coherence, and effective investment signals for renewable energy across all sectors. Sector-specific rules that apply only to data centres such as the measures included within the definition of the metric *total renewable energy consumption from guarantees of origin (ERES-GOO)* should be removed. This includes the 15-minute temporal matching, same bidding zone requirements and asset age limits. Granular temporal and location-based matching should under no circumstances be considered a baseline condition for GO eligibility as this would risk reducing market liquidity and increasing costs, particularly given the lack of a harmonised market for GOs at this level of granularity. Moreover, to preserve the long-term harmonisation of energy markets across the Union, any additional GO eligibility criteria should be addressed solely within the RED III framework. Excluding certificates that are compliant with the RED III framework would increase regulatory complexity and undermine coherence.

▪ **Ensuring confidentiality of trade secrets**

While confidentiality is formally recognized, the proposed amendment to Article 5 significantly narrows its scope by mandating public disclosure of facility-level indicators such as NUTS3 location, size category, and PUE/WUE classes. In combination, these data points allow competitors to infer operational costs, capacity, and efficiency strategies, undermining trade-secret protection. Given that the Commission database relies on aggregated national averages to meet transparency and monitoring objectives, the added public value of facility-level disclosure is limited. A greater degree of aggregation (e.g. regional rather than site-specific reporting) would better balance transparency goals with the protection of legitimate commercial interests.



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About eco: With approximately 1,000 member companies, eco (international.eco.de) is the leading Association of the Internet Industry in Europe. Since 1995, eco has been highly instrumental in shaping the Internet, fostering new technologies, forming framework conditions, and representing the interests of its members in politics and international forums. eco has offices based in Cologne, Berlin and Brussels. In its work, eco primarily advocates for a high-performance, reliable and trustworthy ecosystem of digital infrastructures and services.