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EUDCA Feedback on the draft delegated regulation supplementing Directive (EU) 2023/1791 and amending Delegated Regulation (EU) 2024/1364 as regards the establishment of a common Union rating scheme for data centres

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Problem Statement

The current draft Rating Scheme does not yet ensure fair, comparable, and non-discriminatory assessment of data centre performance across Europe. Key methodological gaps — particularly in climate normalisation, scoring, and operator control boundaries — risk introducing structural bias based on geography rather than operational excellence.

If left unresolved, these issues will distort investment signals, undermine the Single Market, and be carried forward into future Minimum Performance Standards (MPS).

The scheme must therefore be corrected at its foundation before it becomes the reference framework for binding regulation.

Short Explanation

The European data centre sector supports the Commission's initiative to establish a harmonised sustainability rating scheme. The proposal contains several strong elements and represents a meaningful step toward transparency and comparability.

However, in its current form, the scheme risks measuring where a data centre is located rather than how well it is designed and operated. This creates unintended geographic bias, weakens its value for procurement and policy decisions, and may lead to suboptimal investment outcomes across Europe.

EUDCA therefore proposes a targeted set of refinements to ensure the scheme delivers on its core objective: fair, technology-neutral, and operationally meaningful comparison across all Member States.

Introduction

The European data centre sector welcomes the European Commission's draft Delegated Regulation as a significant step toward establishing transparent, comparable sustainability metrics across the industry. We particularly welcome several positive developments: the removal of data traffic KPIs, which do not meaningfully reflect sustainability performance; the decision to defer IT performance KPIs to align with ongoing SPEC standardisation work; the prioritisation of PUE, WUE, and REF as core mandatory performance indicators; the inclusion of voluntary participation for data centres below 500 kW; the automatic label generation approach from existing Energy Efficiency Directive reporting data, which minimises administrative burden while maximising the value of reported information; the pragmatic transitional provision for colocation operators that cannot monitor and gather certain Annex II key performance indicators for technical reasons, allowing omission for the first three reporting periods with explanation; and the Commission's recognition that an aggregated scoring mechanism is necessary for the scheme's long-term effectiveness, as reflected in its inclusion as a 2029 review area and the reference to possible ways to rate sustainability in the accompanying explanatory document template.

However, the proposal requires refinement to deliver on its core promise: enabling fair comparison across Europe's diverse operating environments. A rating scheme must assess the efficiency and performance of data centres rather than geographical conditions or external factors beyond operators' control. Without this foundation, facilities in warmer regions or those

dependent on factors outside their operational sphere will face systematic disadvantage despite equivalent efficiency investments — a geographic bias that contradicts single market principles and risks concentrating investment in naturally favourable climates rather than rewarding operational

excellence wherever it occurs. The regulatory context reinforces the urgency of sound design: the Commission has signalled that the Rating Scheme will serve as the foundational infrastructure for future Minimum Performance Standards, with the MPS legislative proposal expected in Q1 2027. Indicators, definitions, and methodologies established in this Delegated Regulation will constrain the design space for binding thresholds that follow. Any structural shortcomings — in climate normalisation, scoring methodology, or metric definitions — risk being inherited by MPS and amplified through legally binding requirements.

EUDCA has developed and validated a comprehensive framework anchored in six foundational principles: operator control, technology neutrality, geographic fairness, regulatory coherence, transparency by design, and progressive maturity. These principles ensure that metrics measure only factors within operators' reasonable sphere of influence, accommodate diverse cooling architectures and IT configurations without prescriptive mandates, account for climate variations and water availability through normalisation frameworks, derive all base metrics exclusively from existing EED reporting to eliminate parallel compliance burdens, ensure every calculation step is fully documented and publicly explainable, and acknowledge that some metrics require continued industry standardisation before full integration into comparative assessment.

Finally, the scheme's success depends on translating reported data into an aggregated, comparable score. We welcome the Commission's acknowledgement that aggregated comparison is essential for the scheme to function as a true rating instrument. Industry collaboration with the European Commission is essential before the introduction of a scoring approach through the 2029 review. This phased path ensures that scoring is grounded in a holistic approach towards sustainability, scientific evidence and practical experience.

Regardless of phasing, the underlying point remains: without an aggregated score, the label functions as a data transparency tool rather than a rating instrument, limiting its utility for procurement under the Cloud and AI Development Act (CAIDA), permitting decisions, and investment screening. At the same time, careful consideration of the scoring methodology is crucial. A transparent, climate-normalised, point-based scoring system would maximise the scheme's effectiveness as a driver of continuous improvement across the sector.

EUDCA stands ready to collaborate with the Commission on these refinements, providing technical expertise to strengthen the scheme's effectiveness and ensure it delivers on its promise as a tool for transparency, comparability, and continuous improvement across Europe's digital infrastructure.

A) Horizontal recommendations

1. Lifecycle Stages for Data Centres & Label Issuance Considerations

EUDCA welcomes the provision in Article 5(5) enabling data centres that have not yet entered into operation to voluntarily participate in the rating scheme by reporting design or expected key performance indicators. This is a sound and proportionate approach that encourages early engagement with the scheme

However, the draft regulation does not adequately address how performance data should be contextualised across the three distinct stages of a facility's lifecycle: the design phase, the ramp-up phase following commissioning, and steady-state operation. The transitional provisions in Article 2(5), Article 5(5), and Annex III(1)(b) require strengthening to explicitly recognise each stage and ensure that labels issued at each stage are clearly distinguished and appropriately contextualised.

a. Design Phase

EUDCA supports the provision in Article 5(5) enabling facilities not yet in operation to participate voluntarily in the scheme by reporting projected or expected indicators. Projected indicators describe theoretical performance modelled against assumed conditions; they do not represent measured outcomes and should not be expected to correspond precisely to the figures a facility will report once operational. Every newly commissioned facility passes through an initial period during which reported values diverge from design projections for reasons unrelated to design quality. If projected values appear on the public label alongside operational labels issued to established facilities, non-specialist audiences such as procurement authorities and permitting bodies may draw inappropriate conclusions from the comparison, with consequences for the credibility of the scheme as a whole.

Recommendation: EUDCA recommends that design-phase values be made available to competent authorities through the European database rather than displayed on the public-facing label. This channel preserves the analytical and planning value of such information in the hands of those equipped to interpret it, while ensuring that the public label continues to represent measured, operational performance. Where design-phase data is displayed, the label must clearly identify the facility as reporting projected values and must include an explicit statement that these figures should not be directly compared against operational labels. The methodology applied at the design stage should rest on the same CEN/CENELEC technical foundations as operational measurement to ensure coherence between phases.

b. Ramp-Up Phase

The draft regulation does not expressly address the transition from construction to operational status, and the transitional provisions contained in Article 2(5), Article 5(5), and Annex III(1)(b) require strengthening to recognise this stage of the lifecycle and ensure that early-stage performance is interpreted in its proper context.

The key performance indicators at the centre of the scheme — particularly PUE and WUE — are not representative of steady-state efficiency during the initial months of operation. Newly commissioned facilities operate under partial IT load as customer deployments come online in

phases; cooling systems require tuning against real rather than modelled conditions; and fixed infrastructure overhead is distributed across only a fraction of rated capacity. Energy and water consumption associated with commissioning and system testing further distorts early figures. The result is a naturally elevated early-stage PUE that reflects standard commissioning realities, not any weakness in design or operation.

Two consequences follow under the current framework. First, an operator that participated at the design stage will see its reported figures worsen upon transition to operational reporting — creating the appearance of deterioration where the facility has simply moved from projection to measurement. This directly discourages the early engagement that Article 5(5) is intended to facilitate. Second, newly operational facilities would be compared against long-established sites running at full capacity, generating distortions that do not reflect genuine differences in operational performance.

Recommendation: EUDCA therefore recommends the introduction of a formal ramp-up designation covering the first two reporting periods following a facility's entry into the scope of EED reporting. Facilities in this category would continue to report actual operational data, contributing to the

evidence base of the scheme and preserving transparency, but their labels would bear a clear ramp-up indication and would sit outside the direct classification comparison applied to fully operational facilities. This distinction enables the scheme to reward genuine operational excellence without penalising operators for the inherent characteristics of newly commissioned infrastructure.

c. Operational Phase

At the end of the 24-month ramp-up period, the facility enters the comparative assessment framework on the same footing as established data centres, with performance evaluated against the climate-normalised benchmarks applicable to operational sites generally. This is the default category against which the classification framework and any future minimum performance thresholds should be calibrated. Where a facility demonstrably reaches full operational capacity before the 24-month window has elapsed, it should be able to request early transition to the standard operational category, with the ramp-up indication removed from its label accordingly. This flexibility ensures the framework reflects operational reality while maintaining a clear default expectation for the industry as a whole.

Reference	Commission text	EUDCA proposed amendments
Annex I(1)(e)	Date of Operation Year and month of entry into operation is the calendar year and month during which the reporting data centre started providing information technology services.	Date of Operation Year and month of entry into operation is the calendar year and month during which the reporting data centre started providing information technology services.

	In case the reporting data centre has not yet entered into operation, the pre-designated value 'DESIGN' shall be used.	~~**In case the reporting data centre has not yet entered into operation, the pre-designated value 'DESIGN' shall be used.**~~ **The operational phase of the data centre shall be determined based on this information and classified as one of the following:** **– 'DESIGN', where the data centre has not yet entered into operation;** **– 'RAMP-UP', which shall apply for the first two reporting periods following entry into operation of the data centre;** **– 'OPERATIONAL', which shall apply from the third reporting period onwards**
Annex II	2. The following information shall be included in the label: *** (VIII) entry into operation (value from Commission Delegated Regulation (EU) 2024/1364, Annex I, point 1(e));	2. The following information shall be included in the label: *** (VIII) entry into operation (value from Commission Delegated Regulation (EU) 2024/1364, Annex I, point 1(e)) **and operational phase of the data centre ('Design', 'Ramp-up', 'Operational') (value attributed by the European database).** **(XIX) operational phase as determined in accordance with Commission Delegated Regulation (EU) 2024/1364, Annex I, point 1(e) and Annex I(4) of this Regulation (value to be attributed by the European database).**

Considerations for Label Issuance (Confidentiality)

EUDCA is concerned that the proposed amendment to the confidentiality clause — replacing "shall keep confidential" with "shall treat as confidential" — weakens the level of protection afforded to reported data beyond what is necessary to achieve the Commission's stated objective. The Commission explains that this change is intended to enable the publication of data centre labels. However, the amendment as drafted affects all information and KPIs reported under Annexes I and II of Delegated Regulation (EU) 2024/1364, not solely the limited subset of information displayed on the label. This is disproportionate. EUDCA urges the Commission to retain the existing confidentiality standard and introduce a narrow exception limited to the specific information included on the label.

EUDCA welcomes the Commission's intent to clarify that label information is not confidential. However, the current reference to "information that is part of the label" is ambiguous and risks being interpreted to include underlying data used to calculate label metrics — for example, total energy consumption figures used to derive PUE. To prevent unintended broadening of the exception, the provision should refer explicitly to the information listed in Annex II(2), ensuring that only defined label elements are excluded from confidentiality protections.

The regulation should also introduce a narrowly scoped security derogation enabling operators to flag and justify cases where publication of specific data points — or combinations thereof — could pose risks to critical infrastructure. Facility-level information can reveal operational scale, enable deduction of computing capacity and customer base, and — where design-phase data is reported — expose infrastructure investment plans before facilities are operational. This data must be protected both as commercially sensitive information and as a safeguard against the identification of vulnerabilities in critical infrastructure.

Reference	Commission text	EUDCA amendments
Article 5(3) in Article 5, paragraph 5 is replaced by the following:	'5. The Commission and Member States concerned shall treat as confidential all information and key performance indicators for individual data centres that are communicated to the database pursuant to Article 3. With the exception of the information that is part of the label defined in Commission Delegated Regulation (EU) 2026/xx and in the form in which it appears on the label, such information shall be considered confidential information affecting the commercial interests of operators	'5. The Commission and Member States concerned shall ~~**treat**~~ keep as confidential all information and key performance indicators for individual data centres that are communicated to the database pursuant to Article 3. **By way of exception, only the information included in the label as** ~~**With the exception of the information that is part of the label**~~ defined in **Annex II(2)** Commission Delegated Regulation (EU) 2026/xx and in the form in which it appears on the label **may be made public, and solely in the form in which it**

	and owners of data centres in accordance with Article 4(2) of Regulation (EC) 1049/2001 of the European Parliament and of the Council regarding public access to European Parliament, Council and Commission documents and Article 4(2)(d) of Directive 2003/4/EC of the European Parliament and of the Council on public access to environmental information.'	**appears on that label. All other** ~~**such**~~ information shall be considered confidential information affecting the commercial interests of operators and owners of data centres in accordance with Article 4(2) of Regulation (EC) 1049/2001 of the European Parliament and of the Council regarding public access to European Parliament, Council and Commission documents and Article 4(2)(d) of Directive 2003/4/EC of the European Parliament and of the Council on public access to environmental information.'

2. Methodology for Classes & Climate Normalisation

The draft regulation includes Cooling Degree Days (CDD) on the label and references weather normalisation in the accompanying explanatory document, but does not integrate climate normalisation into the methodology used to determine PUE and WUE efficiency class assignments (A-G). CDD serves only as contextual information for label users to interpret — it does not adjust the performance thresholds that determine which class a facility receives. This critical gap undermines the scheme's core objective: enabling fair comparison across Europe's diverse operating environments. Without climate normalisation embedded in the classification methodology itself, the rating scheme risks embedding structural geographic discrimination, steering investment toward naturally favourable climates rather than rewarding genuine efficiency improvements.

PUE and climate normalisation

A data centre in southern Europe operating with identical equipment, operational practices, and management quality as a facility in a Nordic region will require more cooling energy due to higher ambient temperatures. Under uniform performance thresholds, the southern facility receives a lower PUE classification despite equivalent operational efficiency. This penalises operators for factors entirely outside their control and produces misleading signals for procurement authorities, permitting bodies, and investors relying on the label to compare facilities.

It is essential that PUE classification reflects how a data centre is operated, not where it is located. Integrating climate normalisation directly into PUE class determination would ensure that operators in warmer regions — where comparable or higher levels of sustainability investment are deployed — are assessed on the same basis as operators in cooler climates. Climate-normalised assessment distributes incentives for continuous improvement across all regions rather than concentrating them in cooler climates, where relatively modest optimisation

may be sufficient to achieve top-tier classification due to favourable ambient conditions.

Recommendation: The January 2026 EUDCA label proposal established a three-tier CDD classification system: Cool climate (0–50 CDD), Mild climate (51–150 CDD), and Warm climate (151+ CDD). This approach uses CDD data sourced from Eurostat, automatically determined by the European database based on facility location, and adjusts PUE performance bands for each climate zone. Measured PUE values continue to be reported transparently, while climate-normalised PUE classifications are calculated centrally by the European database. This maintains full methodological transparency — any stakeholder can verify calculations using publicly available climate data — while ensuring the label reflects operational efficiency rather than geographic advantage.

WUE, climate normalisation, and water depletion context

The same climate-driven dynamic affects WUE: facilities in warmer climates with higher cooling loads will show elevated water usage irrespective of the efficiency of their cooling systems or their investments in sustainable water practices. WUE performance bands must therefore also be adjusted for climate conditions through the same CDD classification system applied to PUE.

Beyond climate, WUE classification requires a second contextual adjustment to reflect the environmental significance of water consumption in a given location. EUDCA selected water depletion as the appropriate contextual metric over water stress due to fundamental methodological alignment with the data being collected and reported. Data centres measure and report water consumption — water that is evaporated, incorporated into products, or otherwise removed from the immediate water environment — not water withdrawal (total water extracted from sources). Water stress metrics are calculated based on withdrawal rates compared to available renewable water supplies. Since EED reporting captures consumption data (WUE category 2), using a withdrawal-based contextual indicator would create a methodological mismatch between the measured data and the metric used to contextualise it.

EUDCA has used the World Resources Institute's Aqueduct 4.0 tool to define water depletion levels. Water depletion measures the ratio of total water consumption to available renewable water supplies in a given area, making it the methodologically appropriate metric for contextualising consumption-based reporting. The three-tier classification system — Low (0–25%), Medium (25–50%), High (50%+) — derived from WRI Aqueduct 4.0 data provides clear thresholds reflecting the severity of local water resource constraints and enabling meaningful comparison of data centre water consumption across different geographic contexts. For simplicity and alignment with the three CDD tiers, the WRI Aqueduct categories have been consolidated: Low (<5%) and Low-Medium (5–25%) combined into the Low tier, and High (50–75%) and Extreme (>75%) combined into the High tier.

Under this framework, each data centre's geographic location is mapped to its corresponding water depletion level using WRI Aqueduct 4.0 data. The facility's reported WUE is then evaluated against performance bands adjusted for both climate zone (CDD tier) and local water depletion classification, ensuring that scoring reflects both absolute water efficiency and the criticality of water conservation in that specific watershed context. This approach ensures that facilities operating in water-depleted regions are appropriately identified and that water efficiency

improvements are prioritised where they have the greatest environmental impact. As with PUE, measured WUE values continue to be reported transparently, with normalised classifications calculated centrally by the European database.

Recommendation: EUDCA strongly urges the Commission to integrate climate normalisation using the three-tier CDD classification system (Cool 0–50, Mild 51–150, Warm 151+ CDD) directly into the PUE class determination methodology, and to integrate both CDD normalisation and water depletion context (Low 0–25%, Medium 25–50%, High 50%+, based on WRI Aqueduct 4.0) into the WUE class determination methodology. Climate and water depletion normalisation must be mathematically embedded in the A-G classification rather than only referenced in accompanying documents. Measured PUE and WUE values should continue to be reported in full, with normalised classifications calculated centrally by the European database to ensure consistency across all facilities.

Reference	Commission text	EUDCA proposed amendments
Annex I	1. The energy efficiency class of data centres shall be determined based on the Power Usage Effectiveness (PUE) as set out in Table 1. *[Table 1]* The PUE of a data centre shall be determined in accordance with point (a) of Annex III of Commission Delegated Regulation (EU) 2024/1364. 2. The water efficiency class of data centres shall be determined based on the Water Usage Effectiveness (WUE) as set out in Table 2. *[Table 2]* The WUE of a data centre shall be determined in accordance with point (b) of Annex III of Commission Delegated Regulation (EU) 2024/1364.	1. The energy efficiency class of data centres shall be determined based on the Power Usage Effectiveness (PUE) as set out in Tables 1 **and 1a, corresponding to the climate zone of the data centre location.** *[Table 1]* **1a. Climate zone classification** **Data centre locations shall be classified into climate zones based on annual cooling degree days (CDD) as follows: (a) Cool climate zone: 0-50 CDD; (b) Mild climate zone: 51-150 CDD; (c) Warm climate zone: 151+ CDD. CDD values shall be determined automatically by the European database based on facility location using Eurostat climate data.** The PUE of a data centre shall be determined in accordance with point (a) of Annex III of Commission

		Delegated Regulation (EU) 2024/1364. 2. The water efficiency class of data centres shall be determined based on the Water Usage Effectiveness (WUE) as set out in Tables 2, **1a and 2a, corresponding to the climate zone and water depletion level of the data centre location.** *[Table 2]* **2a. Water depletion classification** **Data centre locations shall be classified by water depletion levels as follows: (a) Low water stress: 0-25% depletion; (b) Medium water stress: 25-50% depletion; (c) High water stress: >50% depletion. Water depletion levels shall be determined automatically by the European database based on facility location.** The WUE of a data centre shall be determined in accordance with point (b) of Annex III of Commission Delegated Regulation (EU) 2024/1364.

3. Scoring Mechanism

As noted in the *Introduction*, we welcome the Commission's recognition that an aggregated scoring mechanism is necessary for the scheme's long-term effectiveness, reflected in its inclusion as a 2029 review area under Article 6(c) and the reference to possible ways to rate sustainability in the accompanying explanatory document template. However, the current draft displays classes and raw data without aggregating them into a comparable score — a gap that limits the scheme's utility for its intended use cases from the outset.

EUDCA's primary recommendation is to implement a transparent, climate-normalised scoring mechanism from first label issuance. A standardised approach aggregating the three core performance indicators — PUE, WUE, and REF — with equal weighting under the condition that climate and water depletion normalisation are integrated into the PUE and WUE components

and they would be aligned with the Climate Neutral Data Centre Pact (CNDCP) levels.[1] This would provide a clear, comparable performance signal grounded in real-world EED reporting data. However, no scoring methodology has yet been shared with industry. The design choices involved — which metrics to include, how to weight them, how to normalise for climate and water context, and how to treat voluntary indicators — are consequential and technically complex. A methodology implemented without sufficient industry input risks producing scores that are misleading or inconsistent, undermining rather than enhancing the scheme's credibility.

Regardless of phasing and introduction date, any scoring methodology must be developed in close collaboration with industry before implementation. This consultation should be meaningful and timely — allowing operators to assess the proposed approach against real-world data and identify unintended consequences before scores are published. The 2029 review should ensure that any future mandatory approach is grounded in a holistic approach towards sustainability, scientific evidence, and practical experience. The methodology should be defined with sufficient clarity to ensure consistency but housed in the technical specification sheet rather than rigid legal text, preserving flexibility for refinement as the scheme matures and operational data accumulates.

The Commission should also clarify how Member States may reference the scheme in national procurement and permitting frameworks while maintaining consistency with EU-level definitions and scoring approaches.

Reference	Commission text	EUDCA amendments
Article 1	1. This Regulation establishes a common Union scheme for rating the sustainability of data centres in the Union. The European database on data centres established by Commission Delegated Regulation (EU) 2024/1364 ('the European database') shall rate data centres by means of electronic labels issued based on information and key performance indicators communicated by data centre operators to the European database. 2. For the purpose of issuing a label for data centres, the European database shall use	1. This Regulation establishes a common Union scheme for rating the sustainability of data centres in the Union. The European database on data centres established by Commission Delegated Regulation (EU) 2024/1364 ('the European database') shall rate data centres by means of electronic labels issued based on information and key performance indicators communicated by data centre operators to the European database. 2. For the purpose of issuing a label for data centres, the European database shall use the Power Usage Effectiveness (PUE), and Water

[1] Targets accessible on the Climate Neutral Data Centre Pact's website: https://www.climateneutraldatacentre.net/

	the Power Usage Effectiveness (PUE) and Water Usage Effectiveness (WUE) classes based on the indices calculated in accordance with Annex I.	Usage Effectiveness (WUE) classes based on the indices calculated in accordance with Annex I **and classify the operational phases of a data centre in accordance with Annex I(4).**

4. Label Review and Correction Process

The draft Delegated Regulation establishes an automatic label generation process where the European database creates labels based on reported data, with labels becoming publicly available on August 15 annually. While we support the automatic generation approach as an efficient mechanism that reduces administrative burden, the current framework lacks adequate safeguards to ensure data accuracy before public disclosure.

Data centre operators submit performance data to the European database by May 15 each year. The automatic label generation process then creates labels based on this submitted data, with public availability scheduled for August 15. This three-month window between data submission and public disclosure provides an opportunity to implement a critical quality assurance step: operator review and correction of automatically generated labels before they become publicly available.

Data quality issues can arise from several sources despite operators' best efforts during initial submission. Technical errors in data transmission or database processing could result in incorrect values appearing on labels. Calculation errors in the database's automatic generation of derived metrics (such as PUE, WUE, or REF classifications) could produce inaccurate performance ratings. Data entry errors during the submission process may not be caught until operators see the final label format. Additionally, changes in facility configuration or operational status between May submission and August publication may render initially accurate data outdated or misleading.

Without an operator review mechanism, these errors would become publicly visible through the label, potentially misrepresenting facility performance to customers, policymakers, and the public. Once published, correcting inaccurate labels requires waiting until the following year's reporting cycle, meaning incorrect information remains publicly available for up to 12 months.

We recommend establishing a structured review period between automatic label generation and public disclosure. The European database should generate draft labels by June 30 (six weeks after data submission), providing operators with a preview of how their submitted data will appear on the public label. Operators should then have until July 31 (one month review period) to review draft labels, identify any errors or inaccuracies, and submit correction requests to the database administrator.

Correction requests should be limited to factual errors in data transcription, calculation errors in derived metrics, or updates to reflect material changes in facility status. Operators should not be permitted to revise underlying performance data that was accurately reported and correctly processed—the review mechanism is for error correction, not performance improvement. The database administrator should have until August 10 to process approved corrections, with final

labels published on August 15 as scheduled.

All correction requests and approvals should be logged in the database system, creating an audit trail that demonstrates the rating scheme's commitment to data accuracy while preventing abuse of the correction mechanism.

Recommendation: EUDCA recommends to: (1) establish a structured label review and correction process between data submission (May 15) and public disclosure (August 15); (2) generate draft labels by June 30, provide operators with a one-month review period until July 31 to identify and request correction of factual errors; (3) allow database administrators until August 10 to process approved corrections before final publication on August 15; and (4) maintain comprehensive audit trails of all correction requests and approvals to ensure transparency and prevent abuse.

5. Clarity on Certification - Self-Certification vs. Third-Party

Annex III(1)(c) creates ambiguity about acceptable certification frameworks—whether self-certification or ISO/CEN/CENELEC third-party validation is mandatory. Current language references "*management scheme or standard*" including "*widely used voluntary schemes*," leaving unclear which certification approaches satisfy the regulation. EUDCA is concerned this ambiguity creates compliance uncertainty and risks fragmentation across Member States as operators and authorities interpret requirements differently.

Recommendation: EUDCA urges the Commission to: (1) clarify whether self-certification or third-party validation is required for compliance with Annex III(1)(c); (2) explicitly list acceptable certification schemes and standards, recognising ISO 50001 (Energy Management Systems) as a qualifying framework — its annual third-party audit requirements for energy data collection, measurement, and reporting procedures provide independent verification without requiring operators to obtain a separate, sector-specific certification; and (3) build on existing frameworks rather than creating new data centre-specific certification requirements that would duplicate existing EED obligations and impose disproportionate compliance costs on operators who already maintain robust energy management systems under recognised international standards. Certification should remain a voluntary transparency indicator only.

Reference	Commission text	EUDCA amendments
Annex III	Annexes I, II, III, IV to Delegated Regulation 2024/1364 are amended as follows: (1) In Annex I, point 1 is amended as follows:*** (c) the following point (f) is added: (f) Certification of the reported data is any certification scheme stemming from a management scheme, or standard that the reporting data centre applies and	Annexes I, II, III, IV to Delegated Regulation 2024/1364 are amended as follows: (1) In Annex I, point 1 is amended as follows:*** (c) the following point (f) is added: (f) Certification of the reported data is ~~any certification scheme stemming from a management scheme, or standard that the reporting data centre applies and in the framework~~

	in the framework of which a certified third party validates the monitoring, data validation and reporting procedures of the data centre, particularly the ones pertinent to the reporting to the European database. Such schemes could include relevant schemes by European and international standardisation organisations (for example, CEN/CENELEC, ISO, etc.) but also widely used voluntary schemes that include a third-party certification process	~~**of which a certified third party validates the monitoring, data validation and reporting procedures of the data centre, particularly the ones pertinent to the reporting to the European database.**~~ **a certification, where applicable, based on recognised European or international standards, in particular Eenergy Mmanagement Ssystems (EnMs) such as ISO 50001 or equivalent, that the reporting data centre applies, and under which an independent third party may validate the procedures relating to the monitoring, data validation processes and reporting mechanisms procedures of relevant to the information reported to the** **European database. Such certification shall be limited to existing frameworks and shall not introduce new or additional certification requirements specific to this Regulation.** Such schemes could include relevant schemes by European and international standardisation organisations (for example, CEN/CENELEC, ISO, etc.) but also widely used voluntary schemes that include a third-party certification process. **The use of such certification shall remain voluntary and shall not duplicate or extend the reporting or verification obligations established under Directive (EU) 2023/1791 and this Regulation.**

6. Participation of smaller Data Centers

The current framework allows data centres with an installed IT power below 500 kW to participate in the scheme on a voluntary basis. This is a positive feature, as it enables smaller operators to engage with the framework without imposing mandatory reporting obligations.

At the same time, it is important to recognise that smaller facilities may face practical limitations in collecting and reporting the full set of indicators, particularly where advanced monitoring

systems are not yet in place.

If participation requires the complete set of metrics, this may unintentionally limit uptake among smaller operators, reducing the overall representativeness of the scheme.

A proportionate approach would therefore be to allow a degree of flexibility in how voluntary participation is implemented, while preserving the integrity and credibility of the framework. In practice, this could involve enabling progressive or modular reporting, where:

- smaller data centres can participate based on the indicators they are able to report reliably, and
- data centres submitting partial reports can access the classification corresponding to them, even if such classification is limited to the scope covered by the partial declarations.

Such an approach would encourage broader participation without compromising the robustness of the rating system, and would support the gradual alignment of smaller facilities with the objectives of the framework.

7. Market Surveillance Tasks

The draft Delegated Regulation does not define *'market surveillance tasks*,' creating a risk of divergent interpretation across Member States that could lead to duplicative, intrusive, or inconsistent verification practices — undermining the harmonisation the scheme is designed to deliver.

EUDCA supports transparent, proportionate oversight grounded in the European database's existing automated checks. However, a clear definition of 'market surveillance tasks' is necessary to ensure that oversight remains consistent and aligned with the Regulation's stated objective of avoiding additional administrative burden on operators. Defining market surveillance tasks as primarily desk-based activities — focused on checking, validating, and enforcing the accuracy and completeness of reported information — would enhance legal certainty, prevent overlap with existing controls and third-party certification schemes, and ensure a consistent level of scrutiny across the Union.

EUDCA also urges the Commission to remove transitional reporting provisions for metrics that are no longer required under the revised framework, and to ensure that any future updates to the common label explanatory document are limited to contextual information and subject to structured stakeholder consultation before adoption.

Reference	Commission text	EUDCA amendments
Article 5(1) – Amendments to Commission Delegated Regulation 2024/1364	(1) in Article 2, the following points (16) to (18) are added: ***	(1) in Article 2, the following points (16) to ~~**(18)**~~ **(19)** are added: *** **(19) 'market surveillance tasks' means checking, validating, and enforcing the accuracy and**

		completeness of information provided to national reporting schemes or direct to the EU database as envisaged in this Regulation through desk-based assessment.
Article 5(2) – Amendments to Commission Delegated Regulation 2024/1364	(2) Article 3 is amended as follows: a. Paragraph 1, the following subparagraphs are added: 'If a data centre is used for, or provides its services exclusively with the final aim of, supporting the defence and civil protection of a Member State, the data centre operator shall be exempt from communicating to the European database the information and key performance indicators set out in Annexes I and II regarding the data centre, regardless of the Member State that the data centre is located in. After data centre operators have communicated to the European database the information and key performance indicators set out in Annexes I and II regarding the data centres they operate, Member States shall be given the opportunity to carry out market surveillance tasks. Starting in 2026 and every year thereafter, Member States shall indicate to the European database whether the reporting of the data centres located on their territory has been completed by 15 August of the same year. For this purpose, a national reporting scheme may	(2) Article 3 is amended as follows: Paragraph 1, the following subparagraphs are added: If a data centre is used for, or provides its services exclusively with the final aim of, supporting the defence and civil protection of a Member State, the data centre operator shall be exempt from communicating to the European database the information and key performance indicators set out in Annexes I and II regarding the data centre, regardless of the Member State that the data centre is located in. After data centre operators have communicated to the European database the information and key performance indicators set out in Annexes I and II regarding the data centres they operate, Member States shall be given the opportunity to carryut **M~~m~~**arket **S~~s~~**urveillance **T~~t~~**asks. Starting in 2026 and every year thereafter, Member States shall indicate to the European database whether the reporting of the data centres located on their territory has been completed by 15 August of the same year. For this purpose, a national reporting scheme may be used where a Member State has established such a scheme.'

	be used where a Member State has established such a scheme.'	

8. Review Clause

EUDCA welcomes the inclusion of a periodic review mechanism in Article 6, which provides an essential opportunity to ensure the rating scheme evolves in step with technological developments, improvements in data availability, and the maturation of relevant European and international standards. A well-designed review process is particularly important for a framework of this complexity, where performance indicators, methodologies, and market conditions will continue to develop over the coming years.

Review Clause

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However, the scope of Article 6 as currently drafted is insufficiently bounded. The current drafting lists areas the Commission "may" consider without establishing specific mandates or safeguards.

Greater clarity on the categories of issues that may be considered in future reviews is needed to give operators, Member States, and other stakeholders adequate visibility of the regulatory trajectory. A more structured and transparent indication of the review path will help avoid regulatory uncertainty and support the long-term capital commitments required for data centre infrastructure, design, and reporting systems across the European Union.

The review clause should be strengthened by identifying priority areas for future assessment with explicit mandates and by introducing proportionality, cost-effectiveness, and administrative burden as guiding criteria for any expansion of the scheme's scope. EUDCA considers that the following areas should be expressly identified as priorities for the 2029 review.

Scoring Mechanism

EUDCA welcomes the EU's intent to introduce a scoring mechanism following the 2029 review cycle. Before introducing any scoring approach, the Commission should work with industry through that review to develop a uniform scoring methodology that ensures consistency and comparability across all data centres.

Sustainable Water Use Factor

The review should assess the feasibility of introducing a Sustainable Water Use Factor as a complementary indicator to WUE, recognising operator investments within the water catchment basin and adjusted for water availability, depletion, and stress that efficiency metrics alone

cannot capture. The assessment should be based on operational data from successive reporting cycles and should evaluate whether sufficient standardisation exists through ISO or CEN to establish robust baselines and performance bands.

Carbon-Free Energy

The review should assess the evolution of the Renewable Energy Factor toward a broader Carbon-Free Energy metric that captures all zero-carbon electricity sources, reflecting the technology-neutral approach to decarbonisation established elsewhere in EU law. This requires the underlying CEN standard to be updated to broaden its scope from renewable energy to carbon-free energy, and the assessment should evaluate whether the standardisation work has progressed sufficiently to support an updated metric definition.

Grid Functions

Consistent with EUDCA's position elsewhere in this response, the grid functions indicator should be deferred to the 2029 review. The review should assess whether EU-level definitions have been established through the tripartite discussions between the Commission, Member States, and transmission system operators, whether market mechanisms have matured sufficiently, and whether the indicator can be meaningfully integrated into the rating framework without creating sector-specific obligations that do not apply to other large electricity consumers.

Data Centre Lifecycle Phases

The review should assess the impact of the lifecycle stage of data centres — including design, ramp-up, and operational phases — on the comparability and interpretation of the indicators displayed on the label, and evaluate whether proportionate adjustments or additional contextual elements are necessary based on operational experience from the first rating cycles.

Governing Principles and Safeguards

Beyond these substantive areas, EUDCA considers it essential that Article 6 operates according to a clear set of governing principles. Any expansion of the scheme — whether through new indicators, revised scoring methodologies, or the addition of certification or auditing requirements — should be grounded in demonstrated need and subject to proportionality assessment, cost-effectiveness analysis, and administrative burden evaluation.

Future reviews should prioritise simplification, clarification, and data quality improvements before introducing additional obligations. Where updates are introduced, they should, wherever possible, draw on information already captured through existing obligations under the Energy Efficiency Directive and its implementing acts, minimising duplicative reporting and preserving coherence

across the EU regulatory landscape. Substantive amendments should follow a transparent consultation process involving operators, standardisation bodies, and Member State authorities, ensuring revisions are workable in practice and free from unintended consequences. Reviews should also take account of developments in adjacent frameworks, including the Renewable Energy Directive and the Corporate Sustainability Reporting Directive, to avoid duplication, inconsistency, or conflicting obligations.

Recommendation: EUDCA therefore recommends that the Commission clarify the intended scope of Article 6 in the recitals or accompanying guidance, set out clear procedural expectations for the conduct of reviews, and confirm that the process will function as a mechanism for measured refinement rather than open-ended expansion. A review clause structured along these lines will ensure the rating scheme remains credible, workable, and adaptable over time, while providing the regulatory stability necessary to support continued development of sustainable data centre infrastructure across the European Union.

Reference	Commission text	EUDCA amendments
Article 6	By 31 March 2029 and every three years thereafter, the Commission shall assess this Regulation in light of technological progress and the periodic assessments of the data communicated to the European database and submit a report to the European Parliament and to the Council, accompanied, where appropriate, by a revision of this Regulation. This assessment shall include, among others, the possibility to: (a) address additional sustainability, climate and environmental aspects; (b) change the scales used in the label, adapt their values, or add multiple scales per data centre sustainability indicator; (c) introduce an indicator that aggregates the data centre sustainability indicators and rates the sustainability of each data centre; (d) introduce indicators to measure the performance of the ICT equipment energy use; (e) introduce (partial) certification or auditing of the reported data;	By 31 March 2029 and every three years thereafter, the Commission shall assess this Regulation in light of technological progress and the periodic assessments of the data communicated to the European database and submit a report**, including, if appropriate, a draft revision proposal,** to the European Parliament and to the Council~~, accompanied, where appropriate, by a revision of this Regulation~~**.** This assessment shall ~~include, among others, the possibility to~~ **examine, taking into account proportionality, cost-effectiveness and administrative burden, the possibility to**: (a) address additional sustainability, climate and environmental aspects; (b) change the scales used in the label, adapt their values, or add multiple scales per data centre sustainability indicator; (c) introduce an indicator that aggregates the data centre sustainability indicators and rates the sustainability of each data centre; (d) introduce indicators to measure the performance of the ICT equipment energy use; (e) introduce (partial) certification or auditing of the reported data, **where justified by demonstrated need and subject to impact assessment**; (f) introduce icons in the label relating to additional information and key performance indicators communicated to the European database; (g) review and update the document that accompanies the labels, in accordance with Annex II, point 1(c); ~~and~~

	(f) introduce icons in the label relating to additional information and key performance indicators communicated to the European database; (g) review and update the document that accompanies the labels, in accordance with Annex II, point 1(c); and (h) simplify aspects of the reporting scheme or the label, or the rating scheme if it leads to more cost-effective processes.	**(h) assess the feasibility of introducing a Sustainable Water Use Factor (SWUF) as a complementary indicator to WUE, taking into account water availability, depletion or stress at basin level and operator contributions to water stewardship, based on operational data from reporting periods and the development of standardised methodologies, including through ISO or CEN;** **(i) assess the impact of the lifecycle stage of data centres, including 'Design', 'Ramp-up', and 'Operational' phases, on the comparability and interpretation of the indicators displayed on the label, and evaluate whether proportionate adjustments or additional contextual elements are necessary;** **(j) assess the development of the 'grid functions' indicator, including whether common EU-level definitions have been established, whether market mechanisms have matured sufficiently, and whether the indicator can be integrated into the rating framework in a proportionate manner without creating sector-specific obligations;** **(k) assess the evolution of the Renewable Energy Factor (REF) towards a broader Carbon-Free** **Energy metric, including the inclusion of all zero-carbon** **electricity sources, subject to the development of relevant standardisation frameworks, including through CEN; and** (**~~h~~ l**) simplify aspects of the reporting scheme or the label, or the rating scheme if it leads to more cost-effective processes.

B) Technical Specification Sheet

9. Standardisation and Industry Collaboration

We welcome the Commission's commitment to produce a standardised template for the technical specification sheet that will accompany all labels. This standardised approach addresses a key concern: ensuring comparability and reducing administrative burden by providing clear, uniform guidance rather than requiring each operator to develop explanations independently.

To ensure the template is workable, technically accurate, and provides meaningful transparency,

we recommend developing it in close collaboration with the industry through established working groups. This collaborative process should include technical review of proposed template structure and content, validation that questions and response options reflect operational realities across diverse configurations, and iterative refinement based on industry feedback before finalisation.

The standardised template must be made available to industry no later than six months prior to the reporting deadline (by November 15, 2026). This timeline allows operators to review requirements, prepare internal processes and data collection systems, train personnel, and conduct quality assurance.

The technical specification sheet should provide contextual information that helps stakeholders interpret performance data appropriately, including climate conditions (CDD), water depletion context, renewable energy procurement details, and operational characteristics that affect performance metrics. Where the Commission proceeds with optional scoring display, the technical specification sheet should provide clear mechanisms for operators to select whether to display composite scores. The document should simplify definitions and presentation to ensure usability across diverse stakeholder groups. Detailed scoring mechanisms should be guided through the technical specification sheet rather than hardcoded into legal text, preserving flexibility for methodological refinement as the scheme matures and industry standardisation progresses.

Recommendation: The Commission should: (1) develop the standardized technical specification sheet template in close collaboration with industry through established working groups, ensuring technical accuracy and operational workability; (2) make the finalized template available to industry no later than six months before the reporting deadline (by November 15, 2026); (3) ensure the template provides clear contextual information helping stakeholders interpret performance data; and (4) include clear mechanisms for voluntary scoring display where applicable.

Reference	Commission text	EUDCA amendments
Annex II	3. Each label shall be accompanied by a document, common to all labels, that will shortly explain at least the following elements: (I) the relation between PUE and the climate conditions in a specific location (as expressed by the CDD); (II) the relation between PUE and data centre size or age; (III) the interdependence and trade-offs between PUE and WUE;	3. Each label shall be accompanied by a document, common to all labels, that will shortly explain ~~at least~~ the following elements: (I) the relation between PUE and the climate conditions in a specific location (as expressed by the CDD); (II) the relation between PUE and data centre size or age; (III) the interdependence and trade-offs between PUE WUE;

	(IV) the relative importance of different values of WUE in relation to the levels of water stress in a specific location; (V) the relation between WUE and data centre size or age; (VI) the differences among the different categories of renewable energy that constitute the calculated REF; (VII) possible ways to rate sustainability; (VIII) examples of functions to the grid and possible reasons why a data centre does not offer them; and (IX) possible reasons why a data centre does not offer waste heat for reuse. The contents of this common document may be updated by the Commission to reflect changes that are documented in the analysis of the reported data that the Commission will perform annually.	(IV) the relative importance of different values of WUE in relation to the levels of water stress in a specific location; (V) the relation between WUE and data centre size or age; (VI) the differences among the different categories of renewable energy that constitute the calculated REF; (VII) ~~**possible ways to rate sustainability**~~**;** (VIII) examples of functions to the grid and **non-exhaustive factors affecting their feasibility, including technical, economic, regulatory, and location-specific constraints** ~~**possible reasons why a data centre does not offer them; and**~~ (IX) ~~**possible reasons why a data centre does not offer waste heat for reuse**~~ **non-exhaustive factors affecting the feasibility of waste heat reuse, including availability of demand, infrastructure, and economic viability; and** **(X) The evolution of performance over the data centre lifecycle, including that projected values for "Design" phase facilities reflect steady-state performance and should not be directly compared to early operational results, and that during a data centre's ramp-up stage performance typically does not reflect steady-state conditions.** **The standardised template shall be made available to industry no later than six months before the 2027**

		reporting cycle (by November 15, 2026). The template shall be developed through technical review by data centre operators, technology providers, and industry associations to ensure operational workability and technical accuracy. The contents of this common document may be updated by the Commission to reflect changes that are documented in the analysis of the reported data that the Commission will perform annually. **These updates shall be limited to explanatory and contextual elements and shall be subject to stakeholder consultation.**

10. Waste Heat Reuse Definition & DC Boundary

Article 5(16) introduces a "waste heat reuse ready" definition that includes infrastructure potentially owned by district heating operators—heat pumps, network equipment, and external distribution systems. EUDCA is concerned that this definition extends beyond the data centre operator's control and responsibility, creating ambiguity about accountability and feasibility. The scheme must clearly distinguish between infrastructure within the data centre boundary and infrastructure beyond the operator's sphere of influence.

Data centre operators should only be responsible for making waste heat available at a technically feasible exchange point within the data centre boundary. Infrastructure beyond this point — including heat pumps, district heating networks, and external distribution systems — should not be considered part of the data centre system. The rating scheme should focus on readiness within the data centre boundary rather than actual heat reuse outcomes, which depend on external factors, including district heating operator investment decisions, network capacity, and local demand patterns entirely outside operator control.

This boundary clarification aligns with EUDCA's foundational principle of operator control: metrics must measure only factors within operators' reasonable sphere of influence. Waste heat availability at the exchange point is operator-controlled; what happens downstream is not. Extending accountability beyond the data centre boundary creates perverse incentives — operators could be penalized for factors they cannot influence, such as district heating network investment decisions or external heat pump deployment. This undermines the scheme's fairness and comparability objectives.

Recommendation: EUDCA urges the Commission to: (1) clearly define the data centre boundary to include only infrastructure owned and operated by the data centre operator; (2) specify that the heat exchanger or exchange point marks the boundary between data centre responsibility and external infrastructure; (3) define "waste heat reuse ready" as the data centre's technical and operational readiness to make waste heat available at the exchange point, independent of external infrastructure deployment; and (4) ensure the rating scheme assesses readiness within the data centre boundary rather than actual heat reuse outcomes dependent on external factors.

Reference	Commission text	EUDCA amendments
Article 5(1) in Article 2, the following points (16) to (19) are added:	(16) 'waste heat reuse ready' means a data centre that is designed (new data centre) or retrofitted (existing data centre) to capture and provide waste heat to external users at the data centre boundary, including the installation of infrastructure for heat extraction such as heat exchangers, dedicated hydraulic loops, thermal metering, and irrespective of the existence of heat upgrade technologies within the data centre boundary or of heat transfer network outside the data centre boundary;	(16) "waste heat reuse ready" means a data centre that is designed (new data centre) or retrofitted (existing data centre) **to be capable of capturing and providing** ~~**to capture and provide**~~ waste heat to external users at the data centre boundary, ~~**including the installation of infrastructure for heat extraction such as heat exchangers, dedicated hydraulic loops, thermal metering, and**~~ irrespective of the existence of heat upgrade technologies within the data centre boundary or of heat transfer network outside the data centre boundary."

11. Freshwater definition, WUE methodology, and water efficiency classes

Article 5(17) and Annex III introduce WIN-FRE to replace WIN-POT, refocusing water reporting on freshwater. EUDCA supports this direction. However, several aspects of the current approach require correction: the provision permitting Member States to override the EU freshwater definition with national law, the calibration of WUE measurement methodology and the relationship between Category 1 and Category 2, and the calibration of WUE efficiency class thresholds, which are too narrowly banded to reflect the range of sustainable cooling practices and diverse water contexts across Europe.

Harmonised freshwater definition

The provision allowing Member States to define 'freshwater' differently in national law must be removed. A single, harmonised EU-wide freshwater definition is a prerequisite for the rating scheme to deliver meaningful cross-border comparison — without it, data centres in different Member States would be reporting fundamentally different metrics under the same label

category, undermining the scheme's core transparency objective. If one Member State defines freshwater at a Total Dissolved Solids threshold of 500 mg/l while another maintains the 1,000 mg/l threshold, the resulting data is incomparable. Data centres in those jurisdictions would report fundamentally different metrics under the same label category. This fragments the internal market and undermines the scheme's core purpose of enabling meaningful cross-border comparison.

The regulation also contains inconsistencies where WIN-FRE (freshwater input) is referenced in some provisions while total water input is referenced in others. These must be resolved to ensure all provisions consistently reference the same water metric.

The freshwater definition should also explicitly clarify the treatment of alternative water sources. Desalinated seawater output, treated wastewater, and greywater sources should be recognised as non-freshwater sources that do not count toward WIN-FRE. Without this clarification, operators investing in sustainable water sources risk being penalised for water that does not draw on local freshwater resources — creating a perverse disincentive against the very practices the scheme should encourage.

Water efficiency class thresholds

The proposed WUE efficiency class thresholds are too narrowly banded to accommodate the range of sustainable cooling practices across Europe's diverse climate zones and water contexts. The current scale treats all freshwater use identically — non-renewable water from a confined aquifer in a high-stress watershed is rated exactly the same as renewable water from an industrial canal with limited competing use, withdrawn near its discharge point, where any beneficial potential is effectively lost. This undifferentiated approach fails to reflect the environmental reality of water use across Europe's diverse hydrological contexts.

The current bands do not adequately differentiate between facilities that are genuinely water-inefficient and those that use water-based cooling as a deliberate, environmentally sound technology choice — particularly in regions with abundant renewable water supplies where evaporative cooling delivers significant energy efficiency benefits. At a minimum, the WUE scale should be widened to avoid categorising all evaporative cooling as deeply unsustainable, especially where it is implemented sustainably to achieve the best possible energy efficiency with no negative impact on local water availability or watershed health. WUE bands should be aligned with CNDCP levels to reflect the range of sustainable cooling approaches in practice across Europe.

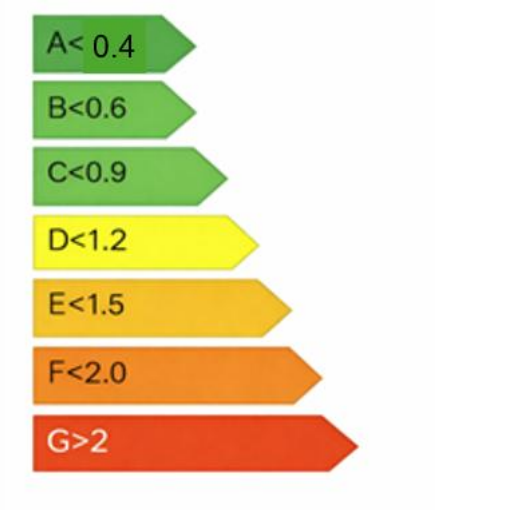
It is also important to maintain perspective on the relative scale of the sector's resource impacts when calibrating bands. While data centres represent approximately 2.5% of total EU electricity consumption, their share of total EU water abstraction is orders of magnitude smaller. This is not to minimise the importance of responsible water stewardship — particularly in water-stressed watersheds — but it does underscore that a relatively modest amount of on-site water use can deliver outsized benefits for energy efficiency and grid impact. The band calibration should reflect this proportionality rather than applying equivalent stringency to both metrics without regard to their relative environmental significance.

WUE classification must be contextualised through local water depletion levels — the environmental significance of water use depends not only on volume consumed but on

watershed availability, a dimension no single measurement category captures. A once-through cooling facility that withdraws and returns water to a low-depletion watershed records an elevated Category 1 WUE despite minimal local impact, misrepresenting its environmental performance where depletion context is absent. EUDCA proposes normalising WUE classification across two dimensions: climate conditions via the CDD tier system, and local water resource availability via depletion levels determined through tools such as WRI Aqueduct 4.0 and made available through the European database, producing bands that are wider where water-based cooling carries minimal environmental impact and more restrictive where water conservation is critical.

However, taking into account the Commission's initial intention for a single, simplified scale, we would recommend the temporary implementation of a moderate Water Usage Effectiveness (WUE) scale ranging from 0.4 to 2.0L/kWh to avoid broadly categorising all evaporative cooling as unsustainable. After the European Commission is able to enhance the rating scheme to incorporate water depletion, the rating scales can then be further restricted for high-depletion locations and further relaxed for low-depletion locations. Currently, the proposed rating applies a highly restrictive WUE scale to all depletion levels and all water types. This will have unintended consequences on sustainable computing across Europe as the use of water to reduce energy, emissions, and grid impact will be penalised, even in areas with abundant, renewable water or alternative water types (reclaimed wastewater or industrial water). The EUDCA urges the commission to consider a more moderate scale at this time, but welcomes future restriction once the dimension of water depletion can be incorporated.

This would also better serve the scheme's underlying objective of driving continuous improvement: if the water thresholds are set so stringently that long-operational facilities cannot even qualify for the lowest bracket, the scheme may inadvertently exclude a significant share of the existing stock and remove the incentive to engage and progress over time. A more practicable WUE range would preserve environmental integrity while encouraging engagement, benchmarking, and progressive improvement over time, consistent with the scheme's intended function.



WUE measurement methodology

The draft regulation references WUE Category 1 in Annex III, which aligns with established

industry practice, including the methodology adopted under the Climate Neutral Data Centre Pact. Category 1 measures total water input at the facility boundary — including evaporation, blowdown, pretreatment waste, and drain losses — providing a comprehensive measure of water management efficiency and incentivising operators to optimise all aspects of water handling.

Classification should remain grounded in Category 1 as the default methodology. Category 1 is currently defined in EN 50600-4-9:2022 as Water Input (m^3) / IT Energy (MWh), where water usage encompasses all water use associated with the data centre infrastructure and IT equipment within its boundaries — including evaporative cooling, humidification, maintenance, and related functions.

In tandem, we believe that operators who consider Category 2 a more representative measure of their facility's water profile should be able to report WUE under Category 2. Category 2 offers a more granular picture of water use by accounting for water that is reused on-site and focusing on water that is not reused for non-industrial purposes. It can provide valuable complementary information about a facility's water management, particularly for operators whose cooling systems return a significant proportion of withdrawn water to the local watershed. The definition of consumption should be clarified in the reporting requirements so that all water returned to the watershed via discharge is excluded from the numerator.

Category 2 is currently defined as (Water Input (m^3) — Water Reused for Non-Industrial Purposes (m^3)) / IT Energy (MWh), where "non-industrial reuse" is defined as reuse of water which is not for industrial reuse or drinking. It is important to note the practical implications of Category 2 reporting. Any operator intending to report under Category 2 will need to: (1) accurately meter outgoing water flows; and (2) demonstrate that the outgoing water qualifies as reuse for non-industrial purposes under the standard's definition. These requirements are necessary to ensure the integrity of reported data and to avoid any perception of greenwashing.

We note that the current EN 50600-4-9 standard around consumptive use includes a methodological ambiguity, which requires clarification in the reporting requirements so that all water returned to the watershed via discharge is excluded from the numerator.

EUDCA also notes that the EN 50600-4-9 and ISO/IEC 30134-9 standards on which the Delegated Regulation is based are currently undergoing fundamental revision. The ISO working group responsible for updating ISO/IEC 30134-9 expects publication during 2027, which will in turn lead to a subsequent revision of EN 50600-4-9. The concepts of consumptive versus withdrawal-based measurement — while relevant to the policy discussion — are not currently defined or discussed in the 2022 edition of the standard. The Commission should be aware that the revised standards, once published, may require corresponding updates to the Delegated Regulation to address any resulting inconsistencies between the regulatory text and the updated standard definitions.

A specific note of caution is warranted regarding once-through cooling systems. Under Category 1, a facility using once-through cooling — where water is withdrawn for heat exchange and returned to the adjacent water body with no net consumption — would report an extremely high WUE value. This would be counterproductive, as it would indicate vast water consumption where, in fact, there is no actual consumption of water. Under Category 2, the position is also problematic: water returned to the water body from which it was sourced (such as a lake, river,

or dock) is unlikely to qualify as "non-industrial reuse" under the standard's current definition. Two approaches could resolve this: (1) determine that once-through cooling, where there is no net consumption of water, falls outside the reporting scope; or (2) ensure that the regulation includes an explicit provision allowing for the deduction of water returned to the water body from which it was sourced, where there is no material change in water quality. Without one of these approaches, the rating scheme would systematically misrepresent the environmental impact of a cooling technology that places minimal pressure on water resources.

Recommendation: Maintain Category 1 as the default methodology for classification, consistent with the CNDCP and current industry practice. Enable operators to report under Category 2 where they consider it a more representative measure of their facility's water profile. Ensure that operators reporting under Category 2 can demonstrate accurate metering of outgoing water and that the reuse qualifies under the standard's definition. Ensure the CEN EN 50600-4-9 standard is updated to resolve the treatment of discharge water under Category 2, providing the methodological clarity needed for robust measurement. Address the treatment of once-through cooling systems to prevent systematic misrepresentation of facilities with no net water consumption. The Commission should also anticipate that the fundamental revision of EN 50600-4-9 and ISO/IEC 30134-9, expected during 2027, may require corresponding updates to the Delegated Regulation

Sustainable Water Use Factor for the 2029 review

WUE measures water efficiency but does not capture the broader water sustainability practices that operators increasingly invest in — including use of recycled water and rainwater harvesting, watershed replenishment projects, and investments in local water resource protection. These practices have meaningful environmental value that efficiency metrics alone cannot reflect. EUDCA recommends that the 2029 review under Article 6 assess the feasibility of a Sustainable Water Use Factor (SWUF) as a complementary KPI, functioning for water similarly to how REF functions for energy. EUDCA is committed to working with ISO and CEN toward the development of a standardised methodology so that any future integration is grounded in robust measurement protocols rather than ad hoc approaches.

Recommendation: EUDCA urges the Commission to:

1. Recalibrate WUE efficiency class thresholds in Annex I, Table 2 to reflect the range of sustainable cooling practices and diverse operating environments across Europe, aligned with CNDCP levels and adjusted for the climate and water depletion normalisation framework proposed in this paper.

2. Maintain Category 1 as the default WUE measurement methodology, consistent with the CNDCP and current industry practice, while enabling operators to report under Category 2 where they consider it more representative — subject to accurate metering and demonstration that reuse qualifies under the standard's definition.

3. Address the treatment of once-through cooling systems to prevent systematic misrepresentation of facilities with no net water consumption.

4. Anticipate that the fundamental revision of EN 50600-4-9 and ISO/IEC 30134-9, expected during 2027, may require corresponding updates to the Delegated Regulation.

5. Normalise WUE classification across both climate conditions (CDD tiers) and local water

resource availability (water depletion levels via WRI Aqueduct 4.0), ensuring bands are wider for low-depletion regions and more restrictive for high-depletion regions.

6. Establish a harmonised EU-wide freshwater definition that removes the Member State override provision, resolves metric reference inconsistencies, and explicitly confirms that alternative water sources do not count toward WIN-FRE.

7. Assess the feasibility of a Sustainable Water Use Factor in the 2029 review, developed through ISO or CEN standardisation and grounded in operational data from the reporting cycle

Reference	Commission text	EUDCA amendments
Annex III	(2)(a) (iv) point (i) is replaced by the following: '(i) Total freshwater input ('WIN-FRE', in cubic metres) shall be measured as defined by, and by using the methodology set out in the CEN/CENELEC EN 50600-4-9 standard WUE Category 1, or equivalent methodology. Data centres shall measure all freshwater volumes that enter the data centre boundary and are used for data centre functions including environmental, power, security, and information technology. If the Member State in whose territory the data centre is located has defined 'freshwater' in national law, the data centre operator shall use this definition to measure WIN-FRE. Otherwise, the data centre operator shall use the definition provided in Article 2 of this Regulation. Return flows from closed and semi-closed cooling water systems should not be added to WIN and WIN-FRE. If the structure that houses the data centre has a different primary function, the values of WIN and	Annex III (2)(a) (iv) point (i) is replaced by the following: '(i) Total freshwater ~~**input**~~ consumption ('WIN-FRE', in cubic metres) shall be measured as defined by, and by using the methodology set out in the CEN/CENELEC EN 50600-4-9 standard WUE Category 1, or equivalent methodology. Data centres shall measure all freshwater volumes ~~**that enter the data centre boundary**~~ consumed by the data centre for data centre functions including environmental, power, security, and information technology. ~~**If the Member State in whose territory the data centre is located has defined 'freshwater' in national law, the data centre operator shall use this definition to measure WIN-FRE.**~~ ~~Otherwise~~ The data centre operator shall use the definition provided in Article 2 of this Regulation**. The following sources of water, desalinated seawater or bay water and treated wastewater, as sustainable non-freshwater sources, should be explored and excluded from WIN-FRE (and hence WUE).** ~~**Return flows from closed and semi-closed cooling water systems should not be added to WIN and WIN-FRE.**~~

	WIN-FRE must be limited to the water and freshwater measured as used (or estimated as used) by the equipment in the data centre's computer room or rooms and the equipment necessary for the operation of the data centre;'	If the structure that houses the data centre has a different primary function, the values of WIN and WIN-FRE must be limited to the water and freshwater measured as used (or estimated as used) by the equipment in the data centre's computer room or rooms and the equipment necessary for the operation of the data centre;

12. Cooling Systems Definitions

EUDCA welcomes the clarification provided in Article 2 regarding the treatment of return flows from closed and semi-closed cooling water systems for the purposes of WIN and WIN-FRE calculation. This is a useful technical refinement that supports consistent application of the WUE indicator across operators, and EUDCA supports retaining the underlying measurement principle.

At the same time, EUDCA considers that the approach of defining specific cooling system categories within the regulation sits uneasily with the principle of technology neutrality that should underpin the rating scheme. The scheme's central purpose is to evaluate the efficiency outcomes a facility delivers through indicators such as PUE and WUE; its role is not to classify, categorise, or confer regulatory recognition on particular cooling architectures. Even where definitions are introduced solely for measurement purposes, there is a real risk that such categories acquire normative weight over time, subtly influencing operator decisions toward configurations that are formally recognised in the regulation rather than those best suited to the facility, the workload, and the local environment.

These concerns are grounded in operational reality rather than theoretical caution. European data centres employ a broad and evolving range of cooling solutions, including direct air systems, indirect evaporative cooling, mechanical refrigeration, liquid-to-chip cooling, rear-door heat exchangers, and hybrid arrangements that draw on several of these technologies in combination. The two categories currently defined in Article 2 capture only a fraction of this diversity. Hybrid configurations, in particular, where free air cooling is the primary mode of heat rejection and evaporative cooling is engaged only intermittently in response to ambient conditions, fall outside the defined categories and are left without a clear framework for the measurement of WIN-FRE.

This gap has consequences for the consistency and comparability that the rating scheme is designed to deliver. If the return flow provision is understood to apply only to the two named configurations, operators of hybrid and alternative systems will face uncertainty regarding how their water flows should be reported. Inconsistent measurement practices across cooling types would erode the comparability of WUE across the European fleet and could disadvantage efficient designs that do not happen to correspond to the two defined categories.

Recommendation: EUDCA therefore recommends that the Commission adopt one of two approaches. The preferred option is to retain the measurement principle in the regulatory text,

namely that return flows from recirculating cooling systems are not to be added to WIN and WIN-FRE, without tying that principle to a defined set of named system types. This approach delivers the measurement clarity the Commission is seeking while preserving full technology neutrality and accommodating the full spectrum of cooling configurations in operational use.

Should the Commission consider that explicit definitions remain necessary, EUDCA recommends the inclusion of a third definition covering hybrid cooling systems. This category should capture configurations in which multiple cooling technologies operate in combination, water is consumed only intermittently, and evaporative cooling is engaged to provide additional heat rejection capacity during periods when ambient conditions exceed the range at which free air cooling can operate alone. Introducing such a definition would ensure that the measurement framework reflects the operational diversity of the European fleet and would avoid implicit preferences for particular cooling architectures.

Under either approach, the rating scheme should continue to evaluate cooling performance exclusively through its effect on the PUE and WUE outcomes it delivers. The choice of cooling technology, or combination of technologies, and the manner in which those outcomes are achieved should remain a matter for operator judgement, informed by facility design, workload profile, and local conditions rather than by the categories recognised in regulation.

13. Guarantees of Origin: alignment with RED III framework

Annex III(2)(g) introduces a data centre-specific definition for unbundled Guarantees of Origin that diverges from the harmonised framework established by RED III. The new requirements — 15-minute temporal matching, same bidding zone geographic matching, and a 10-year asset age limit — apply exclusively to data centres using unbundled GOs, while other electricity consumers purchasing identical products face no such restrictions. The Commission has not provided justification for this differential treatment.

Sectoral discrimination and internal market fragmentation

RED III established a common framework for Guarantees of Origin (GOs) operating on the basis of objective, transparent, and non-discriminatory criteria across the Union. The introduction of sector-specific requirements through the rating scheme fundamentally distorts this harmonisation objective. A manufacturing facility and a data centre purchasing identical unbundled GOs from the same renewable energy asset would face different eligibility criteria — a distinction based solely on the purchaser's industry. If the Commission considers stricter temporal or geographic matching necessary to achieve policy goals, such requirements should be set horizontally across all sectors through appropriate legislative instruments with a comprehensive impact assessment, not imposed on a single sector through a delegated act adopted under EED Article 33(3).

The 15-minute temporal matching requirement is particularly problematic. It exceeds the hourly matching direction of travel under RED III and assumes availability of products that do not exist in sufficient volumes across Member States. The Association of Issuing Bodies currently operates primarily on annual matching with some hourly granularity; no harmonised liquid market for 15-minute GOs exists at EU level. The conditionality clause — "conditional to the availability of such granular guarantees of origin in the relevant Member State" — does not resolve this: it produces unequal outcomes between operators depending on location, regardless of their procurement

commitment. The same bidding zone requirement constrains supply particularly for facilities in small bidding zones or regions with limited renewable capacity, while the 10-year asset age limit excludes long-amortised renewable assets that continue to generate clean electricity, discriminating between renewable technologies based on asset lifespan rather than environmental performance.

The same-bidding-zone restriction also fails to account for the physical reality of cross-border electricity flows through grid interconnectors. Renewable electricity generated in an interconnected zone and physically delivered via an interconnector provides the same decarbonisation benefit as electricity generated within the bidding zone. Cross-border cooperation on renewable energy — particularly offshore wind — is a central pillar of RED III, and the EU's integrated energy market depends on interconnectors functioning as enablers of renewable energy deployment across borders. A geographic matching requirement limited to bidding zones disregards this infrastructure and the policy framework built around it.

Where 15-minute matched GOs do exist, they trade at significant premiums due to limited supply. Creating mandatory demand from a growing sector drives scarcity pricing that increases costs for all electricity consumers using unbundled GOs — running counter to the cost-efficiency and cost-competitiveness principles enshrined in RED III (recitals 11, 13, and 18). The practical effect is to constrain data centre operators to a premium, supply-limited segment of the GO market without proportionate environmental benefit, since the underlying renewable electricity generation is identical regardless of matching granularity.

Voluntary recognition of advanced procurement practices

Operators that voluntarily adopt hourly or sub-hourly temporal matching are making procurement choices that go beyond current regulatory requirements and should be recognised for doing so.

EUDCA supports making granular matching visible within the rating scheme as a voluntary KPI — operators following an hourly matching approach should be able to demonstrate this on their label as a marker of advanced procurement practice. However, this should not be imposed as a baseline requirement on the sector, and the regulation should not establish 15-minute matching as the standard against which all unbundled GO procurement is assessed. The appropriate mechanism is to recognise advanced matching through the voluntary display category .

Grandfathering and transition

The May 15, 2026 grandfathering deadline provides minimal transition time — just weeks from the draft regulation's publication, and while the text remains a non-binding draft with no legal effects. Existing contracts signed under RED III assumptions face sudden reclassification, creating legal uncertainty and stranded costs for operators who have structured multi-year procurement strategies in good faith under the established framework. The exemption covers the asset age requirement but not the temporal and geographic matching requirements, meaning legacy contracts structured on annual or monthly matching would not qualify. This undermines investment certainty and discourages the long-term contracting that supports renewable energy deployment.

Recommendation: EUDCA urges the Commission to align the GO definition with the EU-wide RED III framework, removing the 15-minute temporal matching, same bidding zone geographic,

and 10-year asset age requirements from the ERES-GOO definition. Operators voluntarily adopting hourly or sub-hourly matching should be able to display this as a voluntary KPI on the label, with advanced procurement practices recognised through REF performance bands within the scoring methodology rather than through redefinition of eligible certificates. The grandfathering deadline should be extended to provide adequate transition time for existing contracts, and the treatment of district cooling operators and multi-user infrastructure under the GO definition should be clarified to avoid unintended sector impacts.

Reference	Commission text	EUDCA amendments
Annex III	(2) Annex II is amended as follows: (a) point 1 is amended as follows: (vii) point (p) is replaced by the following: '(p) Total renewable energy consumption from guarantees of origin ('ERES-GOO', in kWh) shall be determined as the sum of the guarantees of origin purchased and retired by the reporting data centre. These guarantees of origin shall be related to the 15-minute production periods that coincide with the data centre consumption periods and to production located in the same bidding zone as the data centre, conditional to the availability of such granular guarantees of origin in the relevant Member State. Guarantees of origin shall be purchased from assets, commissioned not more than 10 years prior to the reporting year. Long-term contracts for the purchase of guarantees of origin that are in place by 15 May 2026 are exempted from the requirement of this subparagraph, the exemption applying until the end or renewal date of the contract. The data centre shall measure the ERES-GOO that enters the data centre boundary, and which cannot be counted for more than one data centre or be created from power purchasing agreements or on-site renewables;'	(2) Annex II is amended as follows: (a) point 1 is amended as follows: (vii) point (p) is replaced by the following: '(p) Total renewable energy consumption from guarantees of origin ('ERES-GOO', in kWh) shall be determined as the sum of the guarantees of origin purchased and retired by the reporting data centre. ~~These guarantees of origin shall be related to the 15-minute production periods that coincide with the data centre consumption periods and to production located in the same bidding zone as the data centre, conditional to the availability of such granular guarantees of origin in the relevant Member State. Guarantees of origin shall be purchased from assets, commissioned not more than 10 years prior to the reporting year. Long-term contracts for the purchase of guarantees of origin that are in place by 15 May 2026 are exempted from the requirement of this subparagraph, the exemption applying until the end or renewal date of the contract.~~ **in accordance with Directive (EU) 2018/2001 as amended by Directive (EU) 2023/2413.** The data centre shall measure the ERES-GOO that enters the data centre boundary, and which cannot be counted for more than one data centre or be created from power purchasing agreements or on-site renewables;'

14. REF calculation methodology: adherence to the CEN/CENELEC standard

The Renewable Energy Factor is defined in Annex III, point (d) of Delegated Regulation (EU) 2024/1364 as REF = ERES-TOT/EDC, with total renewable energy consumption (ERES-TOT) determined in accordance with the CEN/CENELEC EN 50600-4-3 standard as the sum of energy from guarantees of origin (ERES-GOO), power purchase agreements (ERES-PPA), and on-site generation (ERES-OS). The standard aggregates all three procurement methods into a single metric without differentiation — measuring the share of renewable energy consumed, not the procurement pathway through which it was obtained. This is consistent with the data the Commission itself has collected and published on average REF across European data centres, which reports a single aggregate figure without differentiation by procurement route.

It must be recognised that the data centre operator is not always responsible for the energy procurement at a data centre. In some Colocation cases, it is the tenant that manages the energy procurement - renewable or otherwise. The commission must make some allowances for this in the label, either by making it N/A on the label in these cases (as out of the operator's control), or allowing alternative evidence for confirming the tenant's procurement choices.

EUDCA supports the inclusion of a pie chart on the label, providing additional transparency on the breakdown of renewable energy procurement methods. However, this transparency mechanism must remain distinct from the assessment of performance through the standardised REF KPI. The pie chart provides procurement transparency; REF provides performance assessment. Conflating the two — whether by applying different weightings to procurement methods within the REF calculation or by incorporating the GO-specific restrictions discussed in the preceding section into the REF methodology — would undermine the metric's integrity, create inconsistency with the established CEN standard and the regulatory definition in Delegated Regulation 2024/1364, and introduce complexity that is not supported by the current evidence base.

This distinction is essential for three reasons beyond methodological integrity. First, REF performance bands — which EUDCA proposes as the basis for classifying renewable energy performance on the label alongside PUE and WUE classes — can only function if REF is calculated on a standardised, comparable basis. Bands derived from a metric that varies depending on how procurement methods are weighted or restricted would not produce consistent classifications across facilities. Second, the aggregated scoring mechanism proposed in this response depends on REF as one of three equally weighted core indicators. A scoring system built on a non-standardised REF calculation would lack the methodological foundation necessary for credible, comparable results. Third, and critically for the regulatory trajectory ahead, the Commission has signalled that the Rating Scheme will serve as the foundation for future Minimum Performance Standards. Any MPS thresholds set on REF must be grounded in the standardised, CEN-aligned methodology already established in Delegated Regulation 2024/1364 — a methodology the sector can measure against with confidence. Introducing methodological ambiguity into REF now would compromise the evidence base on which binding thresholds will be calibrated, creating

legal uncertainty for operators and undermining the robustness of future MPS decisions.

Recommendation: EUDCA urges the Commission to maintain strict adherence to the CEN/CENELEC EN 50600-4-3 standard and the regulatory definition in Delegated Regulation 2024/1364 for REF calculation, preserving the pie chart as a separate transparency mechanism without incorporating procurement-method distinctions into the performance metric itself. This ensures REF remains a reliable foundation for performance bands, aggregated scoring, and future Minimum Performance Standards.

15. Recognise district cooling energy as renewable energy

The draft delegated act rightly focuses on accounting for the renewable content of grid electricity. However, this approach creates an unintended gap for data centres that are integrated into district cooling networks and that export waste heat. In such cases, a significant share of the data centre's energy consumption for cooling (EDC) is supplied via district cooling, yet this energy cannot currently be recognised as renewable under the scheme, even where the district cooling provider operates on the basis of 100% renewable energy. By way of example, a data centre sourcing 50% of its energy for cooling from grid electricity and 50% from district cooling can only reflect the renewable content of the grid electricity, irrespective of the renewable nature of the district cooling supply. This risks discouraging participation in efficient district cooling and heat reuse schemes.

Recommendation: EUDCA urges the Commission to allow operators to recognise district cooling energy as renewable where the operator can provide appropriate evidence from the district cooling provider confirming the renewable origin of the energy used in production and distribution. In practice, data centre operators cannot be expected to provide guarantees of origin or power purchase agreements for district cooling, and alternative documentary evidence should therefore be deemed sufficient.

16. Evolution to Carbon-Free Energy Metric

Looking toward the 2029 review, we recommend evolving the Renewable Energy Factor (REF) into a broader Carbon-Free Energy (CFE) metric that recognises all zero-carbon electricity sources, including nuclear power. While renewable energy remains the primary focus for decarbonization, nuclear power provides stable, carbon-free baseload electricity that contributes to grid decarbonization objectives.

A CFE metric would provide a more comprehensive assessment of data centres' contribution to electricity sector decarbonization while maintaining the scheme's focus on environmental performance. This evolution recognises that achieving climate neutrality requires leveraging all available zero-carbon energy sources, not exclusively renewables. Nuclear power's role in providing reliable, carbon-free baseload generation complements variable renewable energy sources, supporting grid stability while advancing decarbonization goals.

This evolution should be developed in collaboration with industry and energy policy experts to ensure technical soundness and alignment with EU energy policy objectives. The methodology should maintain the same transparency and verifiability standards as the current REF framework,

with clear definitions of what qualifies as carbon-free energy and appropriate verification mechanisms.

Recommendation: EUDCA proposes that the Commission: (1) include the evolution from REF to CFE metric in the 2029 review scope; (2) develop the CFE methodology in collaboration with industry and energy policy experts; (3) ensure the CFE metric recognizes all zero-carbon electricity sources including nuclear power; and (4) maintain transparency and verifiability standards equivalent to the current REF framework.

17. Grid Functions & Flexibility Definition

While acknowledging the growing importance of demand-side flexibility in supporting Europe's energy transition, we recommend deferring the grid functions indicator to the 2029 review rather
than including it in the initial rating scheme implementation. Grid flexibility frameworks must be developed through electricity market design reforms and grid code requirements that apply uniformly to all large electricity consumers, avoiding sector-specific discrimination. Data centres

should not face unique obligations that other industrial electricity consumers do not face. Market-based procurement mechanisms, not sector-specific mandates, represent the appropriate pathway for securing flexibility services while maintaining industrial competitiveness.

Annex III(2)(b) adds "flexibility" as an explicit category alongside peak demand shifting and firm frequency response (FFR), yet no clear legal definition exists at the EU level. The current Electricity Market Design (EMD) definition is insufficiently precise to serve as the foundation for a data centre rating indicator. Without a harmonized understanding of what constitutes "flexibility" versus other grid services, the indicator risks creating inconsistent interpretation and compliance uncertainty across Member States. Moreover, without clear parameters defining what qualifies as grid service provision, operators face a perverse incentive to demonstrate flexibility through means that are available but environmentally counterproductive — including running backup diesel generators or deploying load banks purely to record a positive indicator on their label, generating NOx and particulate emissions with no operational or grid benefit.

The European Commission, Member States, and transmission system operators are currently engaged in tripartite discussions to define what is technically feasible for data centres to offer regarding grid services and to align market mechanisms accordingly. Introducing a grid functions indicator before this foundational work concludes is premature and creates significant compliance uncertainty. These discussions are establishing the technical parameters, operational constraints, and market frameworks that should inform any future grid functions indicator. Implementing the indicator now would risk misalignment with the outcomes of this critical stakeholder process.

Should the Commission determine that grid functions must be included in the initial rating scheme despite these concerns, several safeguards are essential to ensure proportionate implementation:

The Commission must issue comprehensive guidance no later than six months before the reporting deadline (by November 15, 2026), developed and reviewed with industry through the working groups established as part of the tripartite discussions. This guidance must provide clear definitions distinguishing flexibility from peak demand shifting and firm frequency response, technical parameters for what constitutes grid service provision, and compliance instructions necessary for accurate reporting.

Recommendation: EUDCA recommends deferring the grid functions indicator to the 2029 review to allow completion of ongoing tripartite discussions and development of clear EU-level definitions and market frameworks. If the Commission proceeds with inclusion in 2027, the indicator must remain voluntary, explicitly excluded from scoring, supported by comprehensive guidance issued by February 15, 2027, limited to contracted services with structured reporting options, and developed through sector-agnostic market mechanisms rather than data centre-specific requirements.

Reference	Commission text	EUDCA amendments
Annex II	(2)(XV) electrical grid functions or not (value from Commission Delegated Regulation (EU) 2024/1364, Annex II, point 1(f));	(2)~~(XV) electrical grid functions or not (value from Commission Delegated Regulation (EU) 2024/1364, Annex II, point 1(f));~~

18. Conclusion

The European Data Centre Association reiterates its strong support for the European Commission's objective to establish a harmonised, transparent, and credible sustainability rating scheme for data centres under the Energy Efficiency Directive. The proposed framework has the potential to become a cornerstone for informed procurement, investment decision-making, and the future development of Minimum Performance Standards. To fulfil this role, however, it is essential that the scheme is founded on methodologies that accurately reflect operational performance, remain technology-neutral, and ensure fair comparability across Europe's diverse climatic, hydrological, and market conditions.

As set out in this response, EUDCA believes that targeted refinements are necessary to strengthen the regulation's effectiveness and legal robustness. In particular, embedding climate and water normalisation directly into performance class methodologies; clearly delineating operator control boundaries; ensuring consistency with existing EU frameworks such as RED III and CEN standards; safeguarding confidentiality and security-sensitive information; and providing proportionate implementation mechanisms across data centre lifecycle stages are all critical to avoiding structural bias and unintended market distortions.

EUDCA also welcomes the inclusion of a structured review clause and supports a measured, evidence-based evolution of the scheme over time. Any future expansion—whether through

aggregated scoring, additional indicators, or revised methodologies—should be grounded in operational data, mature standardisation work, and meaningful collaboration with industry, ensuring proportionality, regulatory coherence, and legal certainty for operators making long-term investment decisions.

EUDCA stands ready to continue working closely with the Commission, Member States, and standardisation bodies to refine the rating scheme and ensure it delivers a fair, workable, and future-proof framework that drives continuous improvement across Europe's critical digital infrastructure.

EUROPEAN
DATA CENTRE
ASSOCIATION

About EUDCA

The European Data Centre Association (EUDCA) represents the interests of the European data centre community. Established in 2011, the EUDCA is the voice of the industry, with a diverse membership which includes European and international data centre operators, equipment suppliers, and a network of national trade associations.

Our policies and initiatives are consistently centred around data centre operators, both in defining the data centre of the future and in regulating markets.

The EUDCA has been at the forefront of the energy transition efforts of the data centre industry. As co-founder of the Climate Neutral Data Centre Pact, the EUDCA is deeply committed to taking the industry on the road to climate neutrality by 2030. As the voice of the industry, we call on European policymakers to help us realise this vision.

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