

# Climate Neutral Data Centre Pact

## Comments on the Draft EU Data Centre Sustainability Rating Scheme

### 1 Executive Summary

In this document, the Climate Neutral Data Centre Pact (CNDCP) provides a focused review of the proposed EU Data Centre Sustainability Rating Scheme, building on and complementing its earlier submissions on the study team's proposals.

#### **Key issues**

The proposed EU Data Centre Rating Scheme is a positive step toward transparency, but in its current form it does not yet ensure fair and comparable assessment across Europe.

Key methodological gaps—particularly the absence of climate normalisation in performance classification, the lack of an aggregated scoring approach, and elements extending beyond operator control—risk introducing structural bias. This risks ratings reflecting geographic conditions rather than operational performance.

If not addressed, these shortcomings could distort investment decisions, reduce comparability across Member States, and limit the effectiveness of future Minimum Performance Standards (MPS).

#### **Key recommendations**

Drawing on the practical experience of the CNDCP—where operators have developed and applied robust, standardised metrics to create a level playing field for comparison – we recommend 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.

- Integrating climate normalisation directly into performance classification
- Developing a clear aggregated scoring methodology
- Adjusting efficiency thresholds to reflect operational realities
- Clarifying data centre system boundaries
- Preserving REF as a simple, standardised performance metric



## 2 BROAD OBSERVATIONS

The Climate Neutral Data Centre Pact (CNDCP) welcomes the European Commission's draft Delegated Regulation as a significant step toward establishing transparent and comparable sustainability metrics across the industry. Established in 2021, the Pact brings together enterprise, colocation, and cloud operators representing the majority of the European market, with a shared commitment to achieving climate-neutral data centre operations by 2030 in support of the European Green Deal.

The proposal includes several positive elements, notably the prioritisation of core performance indicators (PUE, WUE, REF), the removal of data traffic KPIs, and the use of existing reporting frameworks to minimise administrative burden.

At the same time, further refinement is required to ensure the scheme fulfils its core objective: enabling fair, consistent, and operationally meaningful comparison across Europe's diverse operating environments. A rating framework should assess how efficiently a data centre is designed and operated, rather than reflecting external factors such as climate or infrastructure conditions beyond the operator's control.

Without this, facilities in warmer regions risk systematic disadvantage despite equivalent efficiency investments. This would weaken comparability, distort investment signals, and risk concentrating development in naturally favourable locations rather than supporting efficient deployment where capacity is needed.

The regulatory context reinforces the importance of robust design. The Commission has indicated that the Rating Scheme will form the basis for future Minimum Performance Standards (MPS), expected in 2027. Methodological choices made at this stage will therefore directly shape the fairness and feasibility of future binding requirements.

A key element of the scheme's effectiveness will be its ability to translate reported data into an aggregated and comparable score. Without such a mechanism, the label functions primarily as a transparency tool, limiting its usefulness for procurement, permitting, and investment decisions. A transparent, climate-adjusted scoring approach would significantly enhance its effectiveness as a driver of continuous improvement across the sector.

CNDCP stands ready to support the Commission in refining the framework, drawing on practical implementation experience to ensure the scheme is robust, proportionate, and aligned with its intended sustainability objectives.

### 3 Methodology for Classes

The Commission's recognition that an aggregated scoring mechanism is necessary for the scheme's long-term effectiveness is welcome. However, the current draft presents classes and raw data without aggregating them into a comparable score, limiting its usefulness for procurement, permitting, and investment decisions.

The Commission should work with industry, including the Climate Neutral Data Centre Pact (CNDCP), to develop a uniform methodology through the 2029 review. This approach would ensure that any future mandatory framework is grounded in scientific evidence and practical operational experience.

Regardless of phasing, the scoring methodology should be defined with sufficient clarity to ensure consistency, while remaining in technical specifications rather than fixed legal text to allow for future refinement. The Commission should also clarify how Member States may reference the scheme in national frameworks while maintaining consistency at EU level.

#### Power efficiency thresholds

The proposed PUE efficiency classes would benefit from adjustment to better reflect real-world performance and the increasing difficulty of optimisation at lower PUE levels. In particular, the current banding could be refined, including reconsidering very low thresholds such as 1.1 and adopting a more non-linear scale that reflects diminishing efficiency gains.

This approach aligns with the Climate Neutral Data Centre Pact (CNDCP), which already applies climate-adjusted targets, recognising that performance expectations must account for environmental context. Aligning thresholds accordingly would improve comparability and avoid penalising facilities operating in less favourable climates.

#### Water efficiency thresholds

The proposed WUE efficiency classes are too narrowly defined to reflect the diversity of cooling technologies and climate conditions across Europe. Facilities in warmer climates will naturally require more cooling, while facilities in water-abundant regions may use water-based cooling efficiently without adverse environmental impact.

Without adjustment, the current thresholds risk penalising efficient operational choices and discouraging optimal technology deployment. We recommend aligning WUE thresholds with established industry benchmarks that reflect achievable performance across diverse environments

### 4 Climate Normalization

The draft regulation includes Cooling Degree Days (CDD) as contextual information but does not integrate climate normalisation into the methodology used to assign PUE and WUE performance classes. As a result, CDD serves only as reference information and does not influence classification outcomes.

This creates a structural gap in the framework. Without embedded climate normalisation, facilities operating under different environmental conditions cannot be fairly compared. For example, a data centre in a warmer region will require more cooling energy than an equivalent facility in a cooler climate, despite identical design, technology, and operational practices. Under uniform thresholds, this leads to lower performance classifications driven by location rather than efficiency.



This risks distorting investment signals and discouraging deployment in regions where data centre capacity is required for latency, resilience, and economic development.

To address this, climate normalisation should be integrated directly into the methodology used to assign performance classes for both PUE and WUE. A practical approach would be to apply a limited number of climate zones—based on Cooling Degree Days (CDD)—with performance thresholds adjusted accordingly. This ensures that classification reflects operational efficiency while maintaining transparency and comparability across Member States,

Measured PUE and WUE values should continue to be reported transparently, while normalised classifications are calculated centrally to ensure consistency and comparability across all Member States.

## 5 Waste Heat Reuse Definition & DC Boundary

A data centre should be considered “waste heat reuse ready” when it enables heat offtake within its operational boundary—specifically by providing appropriate connection points (e.g. offtake valves) and space for heat exchange infrastructure. This ensures that heat can be reused without requiring disruptive retrofits to operational systems.

Requiring installation of full downstream infrastructure—such as heat pumps or network equipment—risks creating unintended negative sustainability outcomes. In particular:

- Embedded carbon impact: Installing infrastructure that may never be used leads to unnecessary emissions and potential stranded assets.
- System boundary inconsistency: Heat network carbon performance depends on the full system, including distribution and heat upgrade. Isolating elements within the data centre boundary risks misrepresenting overall sustainability performance.
- Technology evolution risk: Heat network design is evolving rapidly (e.g. towards ambient and distributed systems). Fixed infrastructure requirements may become obsolete and constrain more efficient future solutions.

A boundary-based approach—focusing on enabling heat reuse rather than mandating external infrastructure—would better align with sustainability objectives while maintaining clarity on operator responsibility.

## 6 REF calculation methodology: adherence to the CEN/CENELEC standard

The Renewable Energy Factor (REF), defined under the CEN/CENELEC EN 50600 standard, provides a clear and comparable measure of renewable energy consumption. It should remain a simple performance metric independent of procurement method.

While additional transparency on energy sourcing can be beneficial, this should be presented separately. Maintaining a clear distinction between performance metrics and procurement characteristics ensures consistency, comparability, and a robust basis for future regulation.

## 7 Guarantee of Origin

CNDCP recommends that the Renewable Energy Factor (REF) should remain a simple and standardised measure of the share of renewable energy consumed, independent of how that energy is procured.



The proposed inclusion of requirements such as 15-minute temporal matching, geographic restrictions, and asset age limits for Guarantees of Origin introduces procurement-specific conditions that diverge from the harmonised RED III framework and apply only to data centres. This creates unnecessary complexity and risks unequal treatment across sectors.

Embedding these elements into REF would undermine comparability, increase costs, and is unlikely to deliver consistent additional environmental benefits, particularly given differing levels of market readiness across Member States.

More advanced practices, such as granular temporal matching, should instead be recognised on a voluntary basis. This would support transparency and encourage best practice while preserving REF as a stable and comparable performance metric. A gradual and proportionate approach would allow for innovation without introducing undue complexity or limiting participation.

## About CNDCP

The Climate Neutral Data Centre Pact was established in January 2021 and is a voluntary initiative involving data centre operators of all types: enterprise, colocation and cloud service providers, plus their representative bodies. The Pact now has over 100 signatories who collectively represent 85% of data centre market share within Europe. The Ratings working group represents the full spectrum of operator types and business models.

The Pact seeks to support the objectives of the European Green Deal in realising ambitious greenhouse gas reductions and leveraging technology and digitalization to achieve Europe's 2050 climate neutral goal. To ensure data centres are an integral part of the sustainable future of Europe, operators and their trade associations are committed to achieving operational climate neutrality by 2030.

Pact signatories take sustainability and energy stewardship very seriously and are already highly motivated to optimise efficiency. However, the core mission of the Pact goes beyond energy consumption to address broader sustainability challenges relating to data centres, such as water use, waste, renewables sourcing and circular economy practices.

Pact signatories have been working for years to develop robust industry metrics to provide a level playing field for comparison and reporting and are therefore in a good position to inform this dialogue. More information on the work of the Pact can be found [here](#)