

CISPE Comments on the proposal for Minimum Performance Standards (MPS) for data centres

CISPE's members have demonstrated strong support of Europe's climate neutrality goals. However, at this current stage of reporting under the Energy Efficiency Directive (EED), we do not believe conditions are met to support an introduction of Minimum Performance Standards (MPS) for data centres. The sector and regulators have not yet had sufficient time to analyse and learn from the initial reporting cycle, and moving forward now risks locking flawed metrics into long-term policy. Premature implementation could distort the market, penalise responsible operators, and conflict with the EU's broader digital and sustainability ambitions. CISPE advocates for a gradual, evidence-based approach that prioritizes data quality, market maturity, and regulatory clarity before introducing any binding performance thresholds.

Below, we outline the key risks of the current MPS proposal and set out the core principles that must guide any future development of MPS as a policy tool.

Premature adoption without reliable data risks destabilising the policy framework

CISPE welcomes the European Commission's commitment to advancing sustainability in the data centre sector and shares the objective of removing inefficient and underperforming facilities from the market. However, CISPE believes that the introduction of MPS is premature. The current reporting framework under the EED is still in its early stages, with significant inconsistencies, data gaps, and reporting challenges across Member States. Proceeding with MPS before the rating scheme is finalised and at least two full cycles of reporting are complete risks institutionalising these flaws and undermining the credibility of the framework.

Ensure full-sector coverage to drive meaningful change

The MPS proposal, as currently scoped, falls short of addressing the sector's true inefficiencies. By applying only to data centres above 500kW and excluding smaller and enterprise-operated facilities, the proposal omits the segment of the sector most likely to underperform. These legacy and enterprise facilities often fall below regulatory thresholds but represent a significant share of inefficient infrastructure. Without expanding the scope to include these operations, the MPS will penalise the most advanced and transparent providers while failing to address the real sources of inefficiency in the market.

Using MPS to drive ambition misplaces purpose

CISPE cautions against using MPS to promote ambition, a role better suited to incentive-based instruments like rating schemes, ecolabels, and procurement criteria. MPS should serve a clear regulatory function: eliminating unfit facilities through enforceable minimum thresholds. The conflation of tools blurs regulatory intent, reduces transparency, and risks contradictory national implementations. Encouraging Member States to independently raise ambition will fragment the market and undermine the Digital Single Market at a time when harmonisation and clarity are essential to Europe's competitiveness.

Ignoring climate factors leads to distorted outcomes

Data centre performance metrics like PUE and WUE are heavily influenced by external climatic conditions, such as cooling degree days and local water scarcity. Facilities in warmer regions naturally require more energy for cooling and may use more water, even when applying the same efficiency measures as those in cooler areas. Without integrating climate normalisation into the methodology, the proposed MPS risk creating an uneven playing field that unfairly penalises certain operators based on geography. Current proposals place the burden of interpretation on stakeholders and fail to reflect the nuanced relationship between environmental conditions and operational efficiency. For WUE in particular, ignoring distinctions like potable versus non-

potable water use in water-abundant areas could lead to counterproductive outcomes. To ensure fair and consistent evaluation across the EU, climate-adjusted benchmarks must be embedded in MPS, and CISPE calls for clarification on how external factors will be accounted for in final standards.

Preserving a competitive and inclusive Digital Market

CISPE is particularly concerned about the economic and competitive consequences of the proposed MPS. They risk disproportionately impacting small and medium-sized providers and retail colocation operators, which are essential to market diversity and regional access to digital infrastructure. Moreover, rigid thresholds could discourage investment in regions with higher environmental constraints or where legacy infrastructure predominates. This contradicts the EU's goal of fostering both digital resilience and equitable economic development across Member States.

Conclusion

CISPE remains committed to supporting a sustainable data centre ecosystem and to working with the European Commission to ensure that future regulatory tools are effective, coherent, and fair. MPS should be introduced only when the data infrastructure is ready and when their implementation will genuinely contribute to Europe's digital and climate goals—without compromising competitiveness, innovation, or inclusiveness.

To ensure that Minimum Performance Standards (MPS) are fair, effective, and aligned with EU policy goals, CISPE recommends that the following conditions be met before introducing MPS as a policy tool:

- **Reliable data first:** Base MPS on robust data, collected over at least two full cycles of EED reporting, to avoid setting misguided thresholds.
- **Clear policy role:** Use MPS to remove clearly underperforming facilities—not to drive innovation or ambition, which require separate tools.
- **Comprehensive scope:** Include all data centres in the scope of MPS, including small and enterprise-operated facilities, to ensure fairness.
- **Climate normalisation:** Account for climate and environmental factors, such as cooling needs and water availability, in performance calculations.
- **Multi-stage implementation:** Introduce MPS gradually to allow for industry adaptation, technological advancements, and regional differences.
- **Protect competitiveness:** Avoid thresholds that could unfairly penalise operators based on location or business model.
- **Regulatory consistency:** Align MPS with other EU policy tools like rating schemes, ecolabels, and procurement guidelines to avoid overlap or confusion.