
EPEE welcomes the clear ambition expressed in the draft report to further boost energy efficiency efforts across the EU. In particular, EPEE looks favourably on the proposed increase in the overall energy efficiency target (Article 4) and national energy savings obligations (Article 5), as well as the binding nature of national energy efficiency contributions.

In addition, the draft report takes better into account the wider benefits of energy efficiency, especially the close interrelationship with health and general indoor environmental quality (IEQ) conditions. EPEE fully supports this increased emphasis mainly in Article 3 but also several recitals.

The Annex to this paper outlines a number of suggested amendments to the EED proposal taking into account the amendments proposed in the ITRE draft report and ENVI draft opinion.

EPEE’s full position on the Energy Efficiency Directive recast can be found [here](#). In addition, EPEE takes position on the proposed sustainability and reporting requirements for data centres in a separate document [here](#).

**About EPEE:**

EPEE represents the Refrigeration, Air-Conditioning and Heat Pump industry in Europe. Founded in the year 2000, EPEE’s membership is composed of over 50 member companies as well as national and international associations from three continents (Europe, North America, Asia). With manufacturing sites and research and development facilities across the EU, which innovate for the global market, EPEE member companies realize a turnover of over 30 billion Euros, employ more than 200,000 people in Europe and also create indirect employment through a vast network of small and medium-sized enterprises such as contractors who install, service and maintain equipment. Please see our website ([https://www.epeeglobal.org/](https://www.epeeglobal.org/)) for further information.
ANNEX: Amendments to the Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on energy efficiency (recast)

<table>
<thead>
<tr>
<th>Proposal for a directive</th>
<th>Article 3 – paragraph 2</th>
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</thead>
<tbody>
<tr>
<td><strong>Text proposed by the Commission</strong></td>
<td><strong>ENVI Draft Opinion</strong></td>
</tr>
<tr>
<td>2. Member States shall ensure that the application of the energy efficiency first principle is verified by the relevant entities where policy, planning and investment decisions are subject to approval and monitoring requirements.</td>
<td>[See Recitals 11 &amp; 13].</td>
</tr>
</tbody>
</table>

**Justification**

EPEE supports the amendment proposed in the draft ITRE report on Article 3 paragraph 2 to make explicit reference to the 'Recommendation and guidelines on Energy Efficiency First'.
While positive, a legal base for the Energy Efficiency First principle in the EED is only a part of the solution, as only the principle’s effective operationalization and implementation at Member State level will yield the actual benefits. To this end, EPEE welcomes the adoption of the ‘Recommendation and guidelines on Energy Efficiency First’ by the European Commission which may help in the application across different sectors. The guidelines rightly state that several factors need to be considered when applying energy efficiency first. We note favourably the explicit recommendation to also assess energy efficiency improvements’ effects on health through impacts on indoor air quality (IAQ), as well as the attention given to the ‘innovation principle’, which should enable industry to innovate in the most technology-neutral way possible. In all this, it will be crucial to ensure that Member States apply sufficiently robust and holistic cost-benefit analysis methodologies to evaluate projects.

The Commission proposal suggests that Member States should promote and ensure the application of methodologies that assess the wider benefits of energy savings in policy, planning and investment decisions. However, in many cases, there is currently no methodology, adapted to national circumstances, and this approach risks the proliferation of fragmented methodologies, creating confusion for actors. In that sense, it is needed to clearly require Member States to develop a cost-benefit assessment methodology allowing the estimation of the co-benefits of energy savings, and to promote them as the standard methodology to apply the EE1st principle nationally. To ensure comprehensive and comparable methodologies, the Directive should encourage Member States to make use of the ‘Recommendation and guidelines on Energy Efficiency First’.

**Proposal for a directive**

**Article 6 – paragraph 1**

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>ENVI Draft Opinion</th>
<th>ITRE Draft Report</th>
<th>EPEE Amendment</th>
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<tbody>
<tr>
<td>1. Without prejudice to Article 7 of Directive 2010/31/EU of the European Parliament and of the Council, each Member State shall ensure that at least 3% of the total floor area of heated and/or cooled buildings owned by public bodies is renovated each year to at least be transformed into nearly zero-energy buildings in accordance with Article 9 of Directive 2010/31/EU. Where public bodies occupy a building that they do not own, they shall exercise their contractual rights to the extent possible and encourage the building owner to renovate the building to a nearly zero-energy</td>
<td>1. Without prejudice to Article 7 of Directive 2010/31/EU of the European Parliament and of the Council, each Member State shall ensure that at least 3% of the total floor area of heated and/or cooled buildings owned or occupied by public bodies and, separately, at least 3% of the total floor area of heated and/or cooled privately owned and occupied buildings providing social infrastructure is subject to deep renovations each year to at least be transformed into the highest standard buildings in accordance with Directive (EU) 2022/... of the European Parliament and of the Council [on the energy performance of buildings].</td>
<td>1. Without prejudice to Article 7 of Directive 2010/31/EU of the European Parliament and of the Council, each Member State shall ensure that at least 4% of the total floor area of heated and/or cooled buildings owned by public bodies is renovated each year to at least be transformed into nearly zero-energy buildings in accordance with Article 9 of Directive 2010/31/EU. From 1 January 2027 at least 4% of such buildings shall be renovated each year to be transformed into at least zero emission buildings. Where public bodies occupy a building that they do not own, they shall exercise their contractual rights to the extent possible and encourage</td>
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building in accordance with Article 9 of Directive 2010/31/EU. When concluding a new contract for occupying a building they do not own, public bodies shall aim for that building to fall into the top two energy efficiency classes on the energy performance certificate.

The rate of at least 3% shall be calculated on the total floor area of buildings having a total useful floor area over owned by public bodies of the Member State concerned and which on 1 January 2024, are not nearly zero-energy buildings.

When purchasing a building and concluding a new contract for occupying a building they do not own, public bodies shall ensure that the building complies with the highest standard set by Directive (EU) 2022/... of the European Parliament and of the Council [on the energy performance of buildings], in compliance with Annex IV point (f) of this Directive.

The rates of at least 3% shall be calculated on the total floor area of buildings having a total useful floor area over 250 m² owned or occupied by public bodies of the Member State concerned and of privately owned and occupied buildings providing social infrastructure which, on 1 January 2024, are not nearly zero-energy buildings.

When planning implementation measures under this Article, Member States shall encourage public authorities to consider the wider benefits beyond energy savings such as improved indoor environment, health and indoor air quality as well as comfort of renovating public buildings especially schools, nursing homes for elderly people, hospitals and social housing.

Member States shall lay down requirements to ensure that, where technically and economically feasible during a renovation, buildings owned or occupied by its building owner to renovate the building to a nearly zero-energy building in accordance with Article 9 of Directive 2010/31/EU. When concluding a new contract for occupying a building they do not own, public bodies shall ensure that the building falls into the top two energy efficiency classes on the energy performance certificate.

The rate of at least 4% shall be calculated on the total floor area of buildings having a total useful floor area over 200 m² owned or occupied by public bodies of the Member State concerned and of tertiary buildings and which, on 1 January 2024, are not nearly zero-energy buildings.

From 1 January 2027 the rate of at least 4% shall be calculated for buildings which are not zero emission buildings.

When planning implementation measures under this Article, Member States shall encourage public authorities to consider the wider benefits beyond energy savings such as improved indoor environment, health and indoor air quality as well as comfort of renovating public buildings especially schools, nursing homes for elderly people, hospitals and social housing.

Member States shall lay down requirements to ensure that, where technically and economically feasible during a renovation, buildings owned or occupied by its shall exercise their contractual rights to the extent possible and encourage the building owner to renovate the building to a zero emission building, but at least to a nearly zero-energy building in accordance with Article 9 of Directive 2010/31/EU. When concluding a new contract for occupying a building they do not own, public bodies shall aim for that building to fall into the top two energy efficiency classes on the energy performance certificate.
central government public bodies or publicly accessible buildings above 500m² are equipped with building automation and control systems or other solutions to actively manage energy flows. The building automation and control systems shall have the capabilities in accordance with Article 14, paragraph 4, of Directive 2018/844/EU.

**Justification**

The proposal for a recast Energy Performance of Buildings Directive (EPBD) introduces the concept of 'Zero-emission building' and all new public buildings to meet this standard by 01 January 2027. EPEE recommend that the EED and EPBD align on this point and supports the ENVI Draft Opinion amendment to require renovation to at least the highest standard buildings in accordance with the revised EPBD.

EPEE continues to support more ambition on the targets for public sector renovations. We consider that if public buildings are “to lead” the energy transition as envisaged by the Renovation Wave, the 3% target for renovation of public buildings should be raised and the floor area threshold be lowered to 200m². The 3% target merely represents the objective for the EU building stock as a whole and does not go beyond the standard rate of renovation.

**Proposal for a directive**

**Article 6 – paragraph 3**

<table>
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<tr>
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<tr>
<td>3. For the purposes of this Article Member States shall make publicly available an inventory of heated and/or public bodies’ buildings with a total useful floor area of more than 250 m². This inventory shall be updated at least once a year. The inventory shall contain at least the following data:</td>
<td>3. For the purposes of this Article, Member States shall make publicly available an inventory of heated and/or cooled public bodies’ buildings, including social housing and tertiary buildings fulfilling public services, with a total useful floor area of more than 250 m². This inventory shall be set up by 30 June 2024, and updated at least</td>
<td>3. For the purposes of this Article, Member States shall make publicly available an inventory of heated and/or cooled public bodies’ buildings, including social housing and tertiary buildings fulfilling public services, with a total useful floor area of more than 200 m². This inventory shall be set up by 30 June 2024, and updated at least</td>
<td>3. For the purposes of this Article, Member States shall make publicly available an inventory of heated and/or cooled public bodies’ buildings, including social housing and tertiary buildings fulfilling public services, with a total useful floor area of more than 200 m². This inventory shall be set up by 30 June 2024, and updated at least</td>
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</table>
THE VOICE OF THE REFRIGERATION, AIR-CONDITIONING AND HEAT-PUMP INDUSTRY IN EUROPE

(a) the floor area in m$^2$;
(b) the energy performance certificate of each building issued in accordance with Article 12 of Directive 2010/31/EU.

(aa) the energy intensity in kW/m$^2$/year based on real data;
(ba) the energy performance certificate of each building issued in accordance with Article 12 of Directive 2010/31/EU.

(ba) the expected target date of renovation (in case not meeting already the highest standard set by Directive (EU) 2022/.../EU of the European Parliament and of the Council on the energy performance of buildings). The inventory shall contain at least the following data:

(a) the floor area in m$^2$;
(b) the energy performance certificate of each building issued in accordance with Article 12 of Directive 2010/31/EU.

The inventory shall be made available in the form of, or be added to pre-existing,

once a year. It shall be linked to the building stock overview done in the framework of the national long-term renovation strategies in accordance with Article 2a of Directive 2018/844/EU and the databases set up pursuant to Article [19] of Directive 2022/.../EU of the European Parliament and of the Council on the energy performance of buildings. The inventory shall contain at least the following data:

(a) the floor area in m$^2$;
(b) the energy performance certificate of each building issued in accordance with Article 12 of Directive 2010/31/EU.

The Commission shall ensure publication of the data from the Member States’ inventories in the EU Building Stock Observatory.
Availability and accessibility of the reported information is essential to operationalising it in pursuit of sustainability improvements. Under the EED the Member States are required to publish and to yearly update inventories of certain public buildings. However, only seven Member States have their inventories publicly accessible on the centralised Commission website. The Commission should ensure publication of all such data, including on data centres, on centralised EU-level platforms so that it is easily accessible to stakeholders across the EU. The EU Building Stock Observatory is an existing platform that can be utilised in this respect.

EPEE supports therefore the amendment proposed in the ITRE Draft Report to align Article 6(3) with the national energy performance of buildings databases that are to be set up under Article 19 of the revised EPBD but would reiterate the call for a more ambitious floor area threshold of 200m².

Proposal for a directive
Article 7 – paragraph 5

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<tr>
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<tr>
<td>5. Member States may require that contracting authorities and contracting entities take into account, where appropriate, wider sustainability, social, environmental and circular economy aspects in procurement practices with a view to achieving the Union’s decarbonisation and zero pollution objectives. Where appropriate, and in accordance with the requirements laid down in Annex IV, Member States shall require contracting authorities and contracting entities to</td>
<td>5. [subparagraph 3] Member States shall support contracting authorities and contracting entities in the uptake of energy efficiency requirements, including at regional and local level, by providing clear rules and guidelines including methodologies on the assessment of lifecycle costs and environment impacts and costs, by providing support for the implementation of Union methodologies as soon as available, setting up competence support centres, encouraging cooperation amongst contracting authorities including across</td>
<td>5. Member States may require that contracting authorities and contracting entities take into account, where appropriate, wider sustainability, social, environmental and circular economy aspects in procurement practices with a view to achieving the Union’s decarbonisation and zero pollution objectives. Where appropriate, and in accordance with the requirements laid down in Annex IV, Member States shall require contracting authorities and contracting entities to make</td>
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account Union green public procurement criteria.

use of Union green public procurement criteria.

(...)

Member States shall support contracting authorities and contracting entities in the uptake of energy efficiency requirements, including at regional and local level, by providing clear rules and guidelines including methodologies on the assessment of lifecycle costs and environment impacts and costs, by providing support for the implementation of Union methodologies as soon as available, setting up competence support centres, encouraging cooperation amongst contracting authorities including across borders and using aggregated procurement and digital procurement where possible.

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Proposal for a directive

Article 7 – paragraph 8

Text proposed by the Commission

ENVI Draft Opinion

ITRE Draft Report

EPEE Amendment

(NEW)

8. To support the harmonisation of green public procurement criteria the Commission shall adopt Union green public procurement criteria for priority
Proposal for a directive
Annex IV – paragraph c

Text proposed by the Commission

In award procedures for public contracts and concessions, contracting authorities and contracting entities that purchase products, services, buildings and works, shall:

(c) where a product or a service is covered by the Union green public procurement criteria, with relevance to energy efficiency of the product or service, make best efforts to purchase only products and services that respect at least the technical specifications set at ‘core’ level in the relevant Union green public procurement criteria including among others for data centres, server rooms and cloud services, Union green public procurement criteria for road lighting and traffic signals, Union green public procurement criteria for computers, monitors tablets and smartphones;

ENVI Draft Opinion

In award procedures for public contracts and concessions, contracting authorities and contracting entities that purchase products, services, buildings and works, shall:

(c). where a product or a service is covered by the Union green public procurement criteria, with relevance to energy efficiency of the product or service, and to aspects with an impact on energy efficiency such as water use and waste generation, purchase only products and services that respect the relevant Union green public procurement criteria;

ITRE Draft Report

In award procedures for public contracts and concessions, contracting authorities and contracting entities that purchase products, services, buildings and works, shall:

(c) where a product or a service is covered by the Union green public procurement criteria, with relevance to energy efficiency of the product or service, must make use of the relevant Union green public procurement criteria, and make best efforts to purchase only products and services that respect at least the technical specifications set at ‘core’ level in the relevant Union green public procurement criteria including among others for data centres, server rooms and cloud services, Union green public procurement criteria for road lighting and traffic signals, Union green public procurement criteria for computers, monitors tablets and smartphones;

EPEE Amendment
Justification

Public procurement criteria must support improvements in the energy efficiency and sustainability in a harmonised fashion. Article 7 of the Commission’s proposal includes the option of applying ‘wider sustainability standards’ in public procurement. However, if the Member States are entitled to voluntarily apply wider sustainability criteria, i.e. life-cycle emissions there is a risk that this will result in Member States pursuing asymmetric approaches creating barriers to the single market and depriving the green transition of economies of scale.

Such discussions in the contexts of products and Technical Building Systems (TBS) under Ecodesign & Energy Labelling (ErP) and the Sustainable Products Initiative (SPI), as well as the revision of MEERp, are currently insufficiently mature to deliver harmonised requirements at the EU level. Efforts at the Member State level risk undermining and delaying efforts towards harmonisation, whilst further fragmenting the internal market. As such, prior to the adoption of sustainability requirements under ErP and/or elsewhere, where they exist for specific product groups, Member States should be required to make use of the EU Green Public Procurement (GPP) criteria ‘core’ level specifications if they wish to apply wider sustainability criteria. If they wish to go even further, they can make use of the ‘comprehensive’ level specifications.

To date EU GPP have been put in place only for water heaters, office building and data centres. As such, the Commission should be mandated under Article 6 of the revised EED to adopt GPP criteria for other Technical Building Systems (TBS) by the end of 2025, such as heating, cooling, and ventilation, and for other categories of public buildings by the end of 2025, for example schools, hospitals, public housing and leisure facilities. These GPP criteria should also include as a factor a technology’s contribution to an adequate Indoor Environment Quality (IEQ) to ensure that energy efficiency improvements are made without a negative effect on building occupant’s health and comfort.

EPEE therefore supports the ENVI Draft Opinion’s amendment to Article 7(5) and continues to call for consideration of its amendment proposals on Article 7(5), Article 7(8) and ANNEX IV.

Proposal for a directive
Article 11 – paragraph 10

Text proposed by the Commission ENVI Draft Opinion ITRE Draft Report EPEE Amendment
10. Without prejudice to paragraphs 1 to 9, Member States shall require, by 15 March 2024 and every year thereafter, owners and operators of every data centre in their territory with a significant energy consumption to make publicly available the information set out in point 2 of Annex VI, which Member States shall subsequently report to the Commission.

Justification

The scope of the reporting requirement is insufficiently precise. A significant amount of discretion is left to the Member States to define what is considered a significant energy consumption which risks diverging definitions. This is recognised in Article 31(3) under which the Commission is empowered to adopt a common Union scheme for rating the sustainability of data centres, part of which is to define the minimum threshold.

EPEE consider it unlikely that the common Union scheme will be adopted before the proposed application of the data centre reporting requirement on 15 March 2024. As such EPEE suggest that an interim minimum threshold is available as a stopgap.

The industry self-regulatory initiative, the Climate Neutral Data Centres Pact, uses 50 kW of installed IT power demand as the threshold for the scheme. In the context of the proposed mandatory reporting requirements, 100 kW of installed IT power demand is an appropriate and proportionate threshold, which would exclude small server rooms, for example in a single office or for multiple offices in an office building.

In addition, availability and accessibility of the reported information is essential to operationalising it in pursuit of sustainability improvements. Under the EED the Member States are required to publish and to yearly update inventories of certain public buildings. However, only seven Member States have their inventories publicly
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accessible on the centralised Commission website. The Commission should ensure publication of all such data, including on data centres, on centralised EU-level platforms so that it is easily accessible to stakeholders across the EU. The EU Building Stock Observatory is an existing platform that can be utilised in this respect.

For these reasons, EPEE fully supports the amendment proposed by the ITRE Draft Report to set a minimum threshold at 100kW IT power capacity. It should however be clarified that the information required under Article 11(10) should be published in the EU Building Stock Observatory, which is an already established Union-level database.

Proposal for a directive

Recital 67

The data centre sustainability indicators can be used to measure four basic dimensions of a sustainable data centre, namely how efficiently it uses energy, how much of that energy comes from renewable energy sources, the reuse of any waste heat that it produces and the usage of freshwater. The data centre sustainability indicators should raise awareness amongst data centre owners and operators, manufacturers of equipment, developers of software and services, users of data centre services at all levels as well as entities and organisations that deploy, use or procure cloud and data centre services. It should also give confidence about the actual improvements following efforts and measures to increase the sustainability in new or existing data centres. Finally, it should be used as a basis for transparent and evidence-based planning and decision-making.

Text proposed by the Commission

ENVI Draft Opinion

ITRE Draft Report

EPEE amendment

(67) Minimum energy performance standards for data centres to be developed by the Commission will help address four basic dimensions of a sustainable data centre, namely efficient use of energy, energy from renewable energy sources, the reuse of any waste heat that it produces and the efficient use of water. The data centre minimum energy performance standards will have an impact on data centre owners and operators, manufacturers of equipment, developers of software and services, users of data centre services at all levels as well as entities and organisations that deploy, use or procure cloud and data centre services. They should steer actual improvements following efforts and measures to increase the sustainability in new or existing data centres. Finally, it should be used as a basis for transparent and evidence-based planning and decision-making.

(67) The data centre sustainability indicators can be used to measure four basic dimensions of a sustainable data centre, namely how efficiently it uses energy, how much of that energy comes from renewable energy sources, the reuse of any waste heat that it produces and the usage of freshwater. The data centre sustainability indicators should raise awareness amongst data centre owners and operators, manufacturers of equipment, developers of software and services, users of data centre services at all levels as well as entities and organisations that deploy, use or procure cloud and data centre services. It should also give confidence about the actual improvements following efforts and measures to increase the sustainability in new or existing data centres. Finally, it should be used as a basis for transparent and evidence-based planning and decision-making.

(67) Minimum data centre performance standards can be used to measure four basic dimensions of a sustainable data centre, namely how efficiently it uses energy, how much of that energy comes from renewable energy sources, the reuse of any waste heat that it produces and the usage of freshwater. The data centre sustainability indicators should raise awareness amongst data centre owners and operators, manufacturers of equipment, developers of software and services, users of data centre services at all levels as well as entities and organisations that deploy, use or procure cloud and data centre services. It should also give confidence about the actual improvements following efforts and measures to increase the sustainability in new or existing data centres. Finally, it should be used as a basis for transparent and evidence-based planning and decision-making.
based planning and decision-making. Use of the data centre sustainability indicators should be optional for Member States. Use of the data centre sustainability indicator should be mandatory for Member States.

Proposal for a directive
Article 31 – paragraph 3

Text proposed by the Commission

3. The Commission is empowered to adopt delegated acts in accordance with Article 32 to supplement this Directive by establishing, after having consulted the relevant stakeholders, a common Union scheme for rating the sustainability of data centres located in its territory. The scheme shall establish the definition of data centre sustainability indicators, and, pursuant to paragraph 9 of Article 10 of this Directive, define the minimum thresholds for significant energy consumption and set out the key indicators and the methodology to measure them.

ENVI Draft Opinion

3. The Commission is empowered to adopt delegated acts by 31 December 2023 in accordance with Article 32 to supplement this Directive by establishing, after having consulted the relevant stakeholders, minimum energy performance standards for data centres located in its territory and set out the key indicators and the methodology for data centres to meet them.

ITRE Draft Report

3. The Commission is empowered to adopt delegated acts in accordance with Article 32 to amend or supplement this Directive by establishing, after having consulted the relevant stakeholders, minimum energy performance standards, technical initiatives, metrics and key performance indicators, a mandatory common Union scheme for rating the sustainability of data centres located in its territory with an installed IT power demand higher than 100 kW, a calculation methodology and a timeframe for data centres to meet those standards. The scheme shall establish key performance indicators and metrics for data centre sustainability, set out the methodology to measure them and a timeframe for the introduction of minimum performance standards for data centres. Member States shall implement the common Union
14

energy consumption and set out the key indicators and the methodology to measure them. Member States shall implement the common Union scheme within one year after the adoption of the delegated act.

3a. The Member States shall implement the mandatory common Union scheme for rating the sustainability of data centres established pursuant to Article 31(3) no later than one year after the publication of the implementing regulations in the Official Journal.

**Justification**

EPEE welcome the proposal to empower the Commission under Article 31(3) to establish a common Union scheme for rating the sustainability of data centres. Indeed, a harmonised EU level approach is preferable to Member States establishing asymmetric schemes and the proliferation of industry initiatives. However, the scheme should be mandatory if the benefits from its implementation are to be ensured, maximised and to limit the possibility for asymmetric implementation by the Member States. The comparability of the reported information across the Member States is vital for supporting evidenced based policy making in the future. Asymmetric implementation also risks creating barriers to trade that fragment the internal market for the Mechanical and Electrical (M&E) products that provide energy efficient process and close control cooling, depriving the green transition of economies of scale that are invaluable in delivering the green transition cost effectively.

EPEE supports the ENVI opinion’s amendment to introduce minimum standards for data centre sustainability. Considering that data centre sustainability goes beyond energy performance, EPEE would suggest the wording ‘minimum data centre performance standards’ in recital 67.

EPEE supports the ITRE Draft Report amendment that the use of the data centre sustainability indicator should be mandatory for Member States. EPEE also supports consistency between the reporting requirement threshold and the Common Union scheme’s threshold by setting a common threshold of 100kW. EPEE would propose the above amendments to the ITRE DR’s Article 31(3) amendment to clarify the wording of Article 31(3) and take into account that data centre sustainability includes elements beyond energy performance that should be considered when establishing the scheme.

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**Proposal for a directive**

**Article 24 – paragraph 4 & 5**

<table>
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<td>4. In order to assess the economic feasibility of increasing energy efficiency of heat and cooling supply, Member States shall ensure that an</td>
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installation level cost-benefit analysis in accordance with Annex X is carried out where the following installations are newly planned or substantially refurbished:

(d) a data centre with a total rated energy input exceeding 1 MW level, to assess the cost and benefits of utilising the waste heat to satisfy economically justified demand, and of the connection of that installation to a district heating network or an efficient/RES based district cooling system. The analysis shall consider cooling system solutions that allow removing or capturing the waste heat at useful temperature level with minimal ancillary energy inputs.

5. Member States may exempt from paragraph:

(…)

(c) data centres whose waste heat is or will be used in a district heating network or directly for space heating, domestic hot water preparation or other uses in the building or group of buildings where it is located.

installation level cost-benefit analysis in accordance with Annex X is carried out where the following installations are newly planned and their material costs have not yet been incurred, or substantially refurbished:

(d) a data centre with a total rated energy input exceeding 100 kW level, to assess the cost and benefits of utilising the waste heat to satisfy economically justified demand, and of the connection of that installation to a district heating network or an efficient/RES based district cooling system or other waste heat recovery applications. The analysis shall consider the economic viability, technical feasibility, demand for heating (including seasonal variation), impact on energy efficiency and cooling system solutions that allow removing or capturing the waste heat at useful temperature level with minimal ancillary energy inputs.

5. Member States shall exempt from paragraph 4.

(…)

(c) data centres whose waste heat is or will be used in a district heating network or is recovered directly for space heating, domestic hot water preparation or other uses in the building or group of buildings where it is located.
EPEE welcome the provisions under Article 24 (4) to “assess the economic feasibility of increasing energy efficiency of heat and cooling supply” at installation level via a cost-benefit analysis when an installation is “newly planned” or is set to be “substantially refurbished”. In particular, EPEE welcome that according to paragraph (d) “data centres with a total rated energy input exceeding 1 MW level” are in the scope of this requirement, and that the CBA can be substituted for an energy audit for data centres under paragraph (d).

However, EPEE note that an exemption is provided under Article 24 (5)(c) from the requirement to conduct an analysis if the data centres has already or is planning to integrate waste heat recovery. Significantly, this covers waste heat recovery for district heating and waste heat recovery for space heating, domestic hot water, or other uses in the data centre facility. EPEE welcome the acknowledgement of the potential for waste heat recovery to reduce on-site energy consumption. Indeed, some EPEE members manufacture CRAC, process and close control units that integrate these technologies. Whilst they can be used to reduce the space heating demand elsewhere in the data centre facility, they can also be used to reduce energy demand for server cooling by converting the recovered waste heat energy into energy that can be used for cooling via the use of refrigerant cycles.

In line with energy efficiency first and circular economy principles this recovered energy can significantly reduce the energy consumption required for data centre cooling. EPEE firmly believes that such waste heat recovery applications at the level of Technical Building Systems should not be discriminated against in the context of waste heat from data centres but should rather be promoted via clear inclusion in the scope of the CBA under Article 24 (4) which is consistent with the wording proposed by EPEE for the exemption under Article 24 (5)(c).

Proposal for a directive  
Annex VI – part 1 – point e

Text proposed by the Commission
(e) build, whenever possible, on life-cycle cost analysis (LCCA) instead of Simple Payback Periods (SPP) in order to take account of long-term savings, residual values of long-term investments and discount rates;

EPEE Amendment
(e) build, whenever possible, on life-cycle cost analysis (LCCA) instead of Simple Payback Periods (SPP) in order to take account of long-term savings, sustainable effects of circular usage, residual values of long-term investments and discount rates;

ENVII Draft Opinion
(e) build on life-cycle cost analysis (LCCA) instead of Simple Payback Periods (SPP) in order to take account of long-term savings, residual values of long-term investments and discount rates;

ITRE Draft Report
(e) build on life-cycle cost analysis (LCCA), such as the net present value method laid down in EN 17463 (Valuation of Energy Related Investments), instead of Simple Payback Periods (SPP) in order to take account of long-term savings, residual values of long-term investments and discount rates;
EPEE would like to reiterate that the scope of the energy audits should be explicitly expanded to cover assessment of the beneficial effects of circularity, in line with EU Green Deal / Circular economy objectives.