

To: Mr. Dan Jørgensen, Commissioner for Energy and Housing

Hampering the green transition of the internal market - additionality requirements for Guarantees of Origin for data centres

The following European Energy Associations; Bundesverband der Energie- und Wasserwirtschaft (BDEW), Asociación de Empresas de Energía (AELEC), Österreichs Energie, Energie Nederland, Samorka - Icelandic Energy and Utilities and Renewables Norway, are sending you this letter of concern about the draft Delegated Act on "*Energy efficiency – rating scheme for data centres in Europe*"

The European Commission is currently revising renewable electricity claims requirements for data centres. It is suggesting requiring data centres to use unbundled Guarantees of Origin (GoOs) only from the same Bidding Zone for electricity, from additional production and if they are correlated temporally.

The arguments for these additional requirements are that they could prevent greenwashing, ensure a better match with physical realities and give better investment signals. Unfortunately, the proposal does the opposite. It goes against the logic of the EU/EEA internal market for electricity, against investments in renewable energy, against the trading of GoO, since electrical energy cannot be traced like material commodities, and against incentives for Power Purchase Agreements (PPAs) for industry.

We argue that:

- The responsibility for developing a decarbonised generation mix lies with the Member States through their NECPs, not with (specific) consumers through additionality and correlation requirements. Even if these requirements are not too strict, there is in any case a transfer of responsibility to the EU level. Moreover, requirements on the carbon footprint are already addressed by horizontal EU sustainability legislation.
- Restricting GoOs to new assets is highly questionable from a carbon accounting perspective, as older assets produce electricity with the same climate benefit. Therefore, such a restriction would entail an unequal access to the electricity market for data centres, which is apparently contrary to the principles of the EU/EEA Internal Market.
- Such limitations would penalise early movers, particularly in regions that have already decarbonised their power systems or are well-advanced in that transition.
- Strict temporal and geographical matching would disproportionately affect bidding zones reliant on cross-border electricity exchanges or characterised by high shares of flexible renewable generation. Hence, they are contrary to developing an EU-wide optimised internal electricity market.
- Matching at bidding zone level will punish countries with several internal bidding zones. Fragmentation of the EU/EEA internal market risks it being highly illiquid, particularly in smaller bidding zones, as GoOs would need to be redeemed within the same zone and time interval. This will hamper PPAs.

- Furthermore, a geographical correlation requirement is contrary to the Commission’s recent recommendations to facilitate PPAs “*Member States should also ensure that guarantees of origin can be exchanged across borders to facilitate cross-border PPAs*”.
- Applying diverging rules for accounting electricity-related emissions across sectors increases complexity, reduced transparency, and undermines comparability.

We therefore ask the Commission to reconsider its current proposal related to this matter, to allow for further assessment and stakeholder dialogue.

We are at your disposal should you wish any meetings or other material on this matter,

Signed by the following associations,

