

EU Code of Conduct for Data Centres: Stakeholder Meeting Notes: 30 September 2014

Brussels, 4 November 2014

Introduction and welcome

Emma Fryer from techUK welcomed participants and thanked DIGITALEUROPE for organising and hosting the session. She reminded attendees that this was a non-technical meeting. The objective was to establish how the different stakeholder communities; government, industry and SDOs, could work together to increase participation and raise awareness of the Code. They were not seeking perfection or an instant solution.

Update from JRC

Dr Bertoldi from JRC gave a brief history of the Code from its formation, why it was developed. He explained:

- The Code is free at point of use and open to all data centres, whether large or small, colocation, enterprise or government. Code participants include sites of 30m² and sites of 6000m².
- The core technical content of the Code is the Best Practices document. It is a very successful, living document that is updated every year, not by JRC but by industry itself and that ensures it remains up to date and appropriate. There is an annual meeting to review and update the technical content of the code. The dynamic nature of the industry makes the process more challenging.
- In terms of participation there are 100 companies and 240 approved data centres
- It is understood that some companies have limitations in their corporate decision-making and as a result they don't formally participate in the Code but they still implement its best practices.
- Success is not measured in terms of how many companies and sites are participating but in knowing that the Code best practices are being adopted and are known and that there is an enduring effort to deliver greater efficiency in data centres.
- The UK had the most mature data centre market and the highest level of participation. There were participants throughout Europe, from Benelux, France, Turkey, Italy, Spain and Bulgaria. Participation in Germany was surprisingly low given the size of the market there.

Collated feedback on EU CoC for Data Centres

Presented by Mike Gilmore (see also relevant slide set)

Introductory comments / Summary

Mike reported that the responses had been striking in their consistency and in their support for the technical content of the Code. This set an important context for the discussions. He ran through the collated feedback and some anecdotal feedback, as follows:

- Feedback received was very consistent.
- Nobody criticised the validity or importance of the Code.
- Respondents felt that the technical content of the code was excellent, relevant and widely adopted.
- Respondents identified issues with governance, administration, interface, communications and USP.

Feedback: What does the Code do well?

- The technical content of the Code is excellent
- The technical content of the Code is relevant
- The level of awareness of the Code within the industry it applies to is good
- If you apply the best practices in the code you will improve energy stewardship and save money
- The Code best practices are widely adopted
- The Code best practices have formed the basis for many other best practice tools and standards.
- The Code benefits from being non-commercial

Anecdotal comments...

- “The most significant benefit of the EU Code of Conduct is the common sense approach adopted in the original drafting of the best practices. Regardless of the management regime used to implement the best practices, simply by following the guidance, energy performance will improve.
- “The holistic nature of the best practices, when applied to the full scope of a data centres operation, covers all the major elements likely to affect energy performance.”
- “The annual expert review of the best practices document (coordinated by the Paolo Bertoldi of the JRC) ensures that they maintain relevance and continue to evolve. This process also facilitates valuable input from the experiences of peer organisations”
- “We use the code properly, we follow its practices, we improve energy stewardship and we save money. Why wouldn’t we do it? “
- “The code is a useful source of free information that is well respected and well used”
- “the technical content of the code is highly regarded”
- “The Code of Conduct requirements align with our internally driven energy conservation programs and participation provides a third party validation of our efforts to improve the efficiency of our data center operations”.

- “A select group of clients view CoC registration as an important indicator of our commitment to data center efficiency”
- “The Code of Conduct provides us a third party developed/approved set of best practices against which we can benchmark and validate our internal data center programs”.

What was NOT said!

- “The code has been superseded”
- “The code is no longer relevant”
- “The code is not a valuable or useful tool”

Perhaps it was significant that in a crowded standards landscape, nobody questioned the validity or importance of the Code of Conduct.

Comments responding to the questions

Q1: What would “Good” look like? How would the Code operate in an ideal world?

- The level of formal participation would be higher and would more closely match levels of use / adoption
- The Code would be formally recognised and endorsed by the Commission, nation state governments and relevant third parties (eg NGOs, NTAs)
- The Code would be translated into French and German as a minimum
- There would be clearer harmonisation with other standards
- The administration process would improve:
 - The interface would be less opaque and more accessible with helpline and guidance for applicants unable to fund external resources
 - Speed of response would be rapid, interactions would be timely
 - External communications / marketing function would be professionalised and spell out the USP
 - The online interface would be more user-friendly including an online application function for endorsers
 - There would be more proactive management of stakeholders through events and networking.
- There would be greater transparency regarding:
 - Formal Governance
 - Policing of commitments, enforcement
 - Processes such as awards – is there a panel of judges? Who are they? How are they convened?
 - Managing technical contributions (eg comment resolution)

Q2: What is stopping us? What are the barriers?

- Lack of resource
- Lack of strategy
- Low formal participation
- Lack of market pull
- Lack of proactive engagement with the wide industry

- Lack of recognition
- Lack of communication
- Disconnect between original intention and current demands – scope creep?
- Commercial interests crowding the field
 - Supplier agendas (new kit rather than managing and turning off)
 - Tail wagging the dog – certification driving the tool
 - Assessment / compliance should not dominate a tool designed to drive continuous improvement
- Cumbersome, slow application process
- Lack of clarity on areas of responsibility
- Tortuous language
- Lack of engagement with standards bodies and stakeholders

Q3: What action/ change is needed?

- Strategy, leadership
- Adequate resource, professional (NOT commercial) administrative function
- Separation of code administrative process from code technical content (best practices)
- Formal, regular interface with standards bodies
- Language needs to be simplified

Standards overview (see relevant slides)

- Standards take a long time to produce and this means they can lag behind technology. However, Technical Reports (an alternative output from European Standards Organisations) can be produced quickly. A Technical Report is not a standard but it is the kind of document that a group like Code participants can author.
- Languages: in the European Standards world (CENELEC) you cannot produce a standard for vote unless it is available in at least two languages and once approved it is automatically translated (if required) by each of the 29 CENELEC member countries. Lack of translation is a shortcoming of the Code.

Two minute platform / interjection

Bob Crooks, Sustainability Lead at DEFRA (UK Government Department for Environment, Food and Rural Affairs) explained briefly how DEFRA guidelines for government procurement increasingly required Code participation, or specified Code best practices. He also explained how the Climate Change Agreement in the UK was likely to be an effective tool for improving energy efficiency within the sector. The efficiency measures in the Climate Change Agreement were aligned with Code best practices.

Stakeholder discussion – moderated by Rob Cardigan

These notes cover points made in the open discussion. They are not intended to be comprehensive, just indicative of the issues that were raised. A number of queries were answered and in these cases both question and answer are included in the same point with the answer offset as a sub-bullet. The points are loosely collated by topic. Points raised at the earlier Q&A session moderated by Mike Gilmore have been integrated into these points since they covered similar issues.

Communicating the USP / ROI

- We need better communications that spell out a clear USP
- Although the Code is free at point of use, participation is not free because it takes internal resource. You can use an external consultant but that has a cost attached too. We need to be able to demonstrate the ROI of participation. Otherwise people will not see any reason to make the investment of time and resource.
- When you make the submission, what is the level of feedback given? Are you informed of your strengths and weaknesses? Are you directed in terms of making improvements and being given targets? You need feedback in order to go back to the businesses with a clearly identified ROI – ie “if we do y and z then we will save £x”.
- Could we make use of historical data and produce numbers that would demonstrate clearly the ROI?
 - The code applications are managed with neutrality and confidentiality so we have to be careful about disclosure
- How do you identify the value-add of the code and sell it back into the business to get engagement?
- As participants we don't see that much value so we don't tend to evangelise about the code.
- On the contrary, the economics tell the story you need to know. The fundamentals are compelling. Our example is set by comparing our energy performance in 2009 when we started and comparing it to 2013, the cost savings were very significant. This improvement in performance was driven by following the Code best practices. Companies underestimate the energy saving opportunities.

External communication and messaging

- The Code is aimed at the facilities managers but it is actually the business that applies, so there is a disconnect. The business manager may need more information to help build an understanding of the value of the code. The DC manager will understand its value but they are not the person making the decision.
 - The Code isn't really aimed at FMs but at operators, though FMs may implement it.
- Marketing the code is complex because participants are not constrained to a single sector – they may be part of retail, banking, public sector, academia, etc. This makes them hard to reach. We need help from endorsers to communicate the benefits of the Code.
- **Conferences:** Can we make use of data centre conferences around Europe? There are too many for JRC to attend but this does not stop nation states hosting workshops or sessions on the Code.
- **Technical magazines:** Articles can be prepared for technical magazines across the EU.
- **Acknowledgement:** Some organisations do publicise the fact that they are participants as part of corporate public policy.

Governance

- We need to make processes more transparent
- There is a lack of transparency – we hear sometimes how many participants and endorsers there are but not how many have applied and how many failed.
 - At the point of submission incomplete application forms are rejected.
 - We can report on the number of applications. We now have 280 applications, 240 of which have been approved. 20 are still under discussion, 20 others have yet to reply to comments and queries so are currently lapsed.
- The Code does not police participation or enforce data returns. It does not seem to have any teeth. There isn't an audit process.
- Although the Code does not have an audit process, you can make it part of an audited system as part of ISO 14001 or 50001 and by driving through the best practices you more than meet your costs. So there is a net saving. Yes there are costs from attending meetings and maintaining discussions but the purpose of that is to grow industry participation and everyone benefits from that.

Logistics/ administration

- How do we make it easier to participate?
- How do we make the administration user-friendly?
 - This is more about balance – if we make it easy for people and everyone can sign up and say they are adopting the best practices then it has no value because it does not act as a differentiator.
- Does the fact that it is free make people underrate its value?
- Could a fee based system be operated by JRC?
- The non commercial nature of the code is important because the focus should be on best practices not on creating markets for products or services. The Code benefits from being non-commercial.
- Has the Code now matured from research project status – should it be run elsewhere in the Commission, for instance by DG Connect?
- Can the current administration structure cope with additional uptake?
 - It should be able to cope with 300-400 sites per year.
- Language is a barrier. It needs to be translated and the basic language needs simplifying because it is a barrier to ESL users who would usually be able to access English language versions.
 - There is a translation service within the Commission. Whether they could translate the Best Practices could be explored.
 - German and French translation could be provided but the industry would have to assist by providing access to technical knowledge
- There does appear to be a heavy UK focus but the UK has a larger and more mature market than elsewhere in Europe and so you would expect higher levels of uptake in the UK.
- Surely there is scope for EU funding when there is so much project funding available?

Data

- It isn't just the best practice content that is valuable but the annual review process where companies have to submit their data. The data submission process gives operators a nudge and focuses minds. The data collection is gathering useful information on the sector.
- We never see any data coming out of the code. We could learn a lot from submissions and data.
- The anonymised data collected should be formatted and published on the COC website on an annual basis.

Engagement with participants

- Some find the application process cumbersome. Would it be possible to have a presence at conferences where those having issues or thinking of applying could get some pre-advice that would help them with the process?
 - Webinars would be possible, physical events are more difficult. This would have to be facilitated by endorsers. Perhaps they could host workgroup meetings in relevant member states.
 - We could certainly provide guidance on filling in the application as we see lots of silly mistakes that hold up applications.
- Sometimes there is nothing coming back to an applicant. With whom should you engage to prove that you are achieving efficiency going forward?

Role of Endorsers

- Currently visibility is very low in terms of endorsers and participants using the logo as a differentiator. Only two endorsers have the CoC prominent on their websites and few participants are vocal about their participation.
- The endorser engagement has been disappointing because the role of endorsers is to promote the code and provide platforms and few if any have done this. We plan to ask them more formally what they can contribute.
- The communication to endorsers is a bit dysfunctional. Endorsers are not generally included in invitations to the meetings. That may be why there is a low level of engagement.
- Is there scope for FM providers to be endorsers as they are the people who may be implementing the best practices?
 - There are already FM providers who are active endorsers and they are among the more active in promoting the Code and encouraging best practice as many see it as a differentiator.
- We mentioned that building awareness of the Code is too complex to do centrally – it needs peer to peer engagement, business to business, association to association. We need to leverage existing links and strengths.

Mandating the Code / role of Code in regulation

- Why does the Commission not request participation *in its own* Code of conduct at least as an award criterion in green public procurement?
- While some call for mandating the Code there are major complexities around this.

- Mandating the code is a step that would have to be taken very carefully and with proper consultation.
- Mandating the best practices is one thing but there could be legal issues mandating a voluntary tool.
- Why is the Commission asking external bodies that are clearly unfamiliar with the sector to write documents and create policy? Why doesn't the Commission fund the administration for an existing measure, the Code?

Conclusions

JRC Closing remarks

It's clear there are things that need changing but we need a step by step approach, working through an agreed list of priorities. There are clearly issues with communication, perhaps more than administration. We need to step up the level of engagement with endorsers.

techUK Wrap up – first impressions

- The feedback received in advance has been strongly endorsed by the comments at the meeting.
- There is a high level of consistency in the feedback and stakeholders seem to be in violent agreement.
- Nobody has questioned the value of the Code or the quality of its technical content.
- There is an opportunity to re-launch the Code brand and remarket it and add transparency.

Emerging conclusions

- Technical function is fine
- Administrative function – needs resource, leadership and strategy
- The technical functions and administrative functions of the code could be considered separately
- Communications need complete review both in terms of engagement with participants and in terms of external messaging
- The capability already exists within participants, endorsers and potential endorsers to support the communications and logistical functions.

Next Steps

- Priority actions to be identified, agreed by JRC and endorsed by stakeholders

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