



PRESS RELEASE

Driving Europe's tech sovereignty through data centre integration

Brussels, 1 October 2025 – Yesterday, CERRE published 'From Gridlock to Grid Asset: Data Centres for Digital Sovereignty, Energy Resilience, and Competitiveness', a new report setting out policy actions to integrate data centres (DCs) into Europe's energy system to meet the infrastructure requirements of a growing digital and AI industry. Without the right policies, data centre-driven power demand risks pushing Europe's already strained grids into gridlock. There are multiple policy responses - from soft to hard - that can help moderate the integration of data centres into Europe's power system and unlock 50-60 GW of demand-side flexibility by 2035.

Why Data Centres Matter

Data centres have become emblematic of the next policy frontier where climate ambition, digital acceleration, economic resilience, and energy security intersect. For Europe's competitiveness to be strengthened, it needs to develop its Artificial Intelligence (AI) capabilities and the necessary infrastructure to support them. Yet, the European energy grid currently risks becoming a major bottleneck to Europe's digital and AI future.

"Drawing on its wealth of regulatory expertise and the diversity of national approaches, Europe is well placed to set the right incentives for data centres to play a constructive role in the power system: treating them like any other grid users, while enabling them to contribute to system flexibility and AI-driven optimisation of energy and infrastructure use."

Annika Brack, CERRE Director for Energy, Mobility, and Sustainability Practice.

From Gridlock to Grid Asset: Key Recommendations for Policy Makers

This multidisciplinary study examines the EU legislation applicable to data centres, as well as the technical and regulatory challenges at stake. It draws on case studies from both within and outside Europe, including France, Germany, Iceland, Ireland, the Netherlands, Norway, and the United States. The report calls for a more flexible and layered regulatory approach – one that is adaptive, proportionate, and responsive to evolving developments in the sector. CERRE recommends to:

- **Streamline Permitting for Socially Valuable Infrastructure Projects** – National authorities should further harmonise and simplify permitting processes and efficiency standards. Fast-track permitting should be granted to projects with high positive social impacts, including qualifying DCs, and use-it-or-lose-it provisions should be applied to reduce connection queues.
- **Enable Incentives for Grid Flexibility and Clean Energy Use** – CERRE estimates that the EU could unlock 50–60 GW of demand-side flexibility by 2035 through strategic grid user integration. Policy makers should encourage DC operators and other users to deploy battery storage, provide demand-response mechanisms, and integrate renewable energy sources. Incentives could include tailored network tariffs, electricity prices, co-investment models, and long-term pricing agreements (PPAs).



- **Integrate DCs into Spatial and Electricity System Planning** – Regulators and system operators should integrate digital infrastructure projections into spatial planning and designate ‘ready-to-connect’ zones in areas with low-carbon generation and uncongested grids, supported by participatory and inclusive planning mechanisms.
- **Improve Transparency and Market-Based Signals** – Update metrics measures such as Power Usage Effectiveness (PUE) and promote transparency on energy use, carbon emissions, and contributions to grid flexibility. Standardised tools like data-sharing platforms and flexible connection agreements can support demand-side response, while greater voluntary participation in ancillary service markets is essential.
- **Strengthen Cross-Sector and Cross-Border Coordination** – Support structured dialogue between transmission and distribution system operators (TSOs and DSOs) and industry, including across national borders, to resolve technical and regulatory issues and ensure a more coherent EU-wide strategy.

Read the report [here](#).

Expert contributions

The publication draws on the expertise of the following CERRE academics and contributing researchers: **Thomas Le Goff** (Télécom Paris – Institut Polytechnique de Paris), **Oliver Inderwildi** (University of Cambridge), **Friðrik Már Baldursson** (CERRE Research Fellow and Reykjavík University), and **Nils-Henrik M. von der Fehr** (CERRE Research Fellow and University of Oslo). The views expressed in this CERRE report are attributable only to the authors in a personal capacity and not to any institution with which they are associated. All contributing authors to this report do not necessarily endorse every part of it.

About CERRE

CERRE is a Brussels-based, not-for-profit think tank dedicated to promoting robust and consistent regulation across network and digital industry and service sectors, as well as those impacted by the digital and energy transitions. Its members include regulatory authorities, companies, and universities, reflecting a multi-sector approach. CERRE is also distinguished by its multidisciplinary team's academic credentials and policy experience, as well as by its unwavering commitment to scientific independence and impartiality. Through high-quality studies and engaging debates involving its members, policy makers, and civil society, CERRE delivers decisive contributions to the advancement of efficient regulation in Europe and beyond.

Press Contact

Kristina Hansen

Head of Communications, CERRE

kristina.hansen@cerre.eu

+32 (0) 472 27 90 74