



## Today's Webinar Outline:

## Part 1: Regulatory frameworks, supporting elements, and business environment

- Common telecommunications regulatory frameworks
- Telecommunications, Data, and Intertwined Infrastructure regulations.
- Supporting elements and business environment: energy, telecom data regulations, institutional set up, etc
- Case study: Digital Belt of Ceará, Brazil
- Public Private Partnerships in Digital Infrastructure
- · Quiz: Supporting elements and business environment
- Q&A



## Today's Webinar Outline:

### Part 2: Greening digital connectivity and data infrastructures

- Overview of digital connectivity and data infrastructure, energy use
- Possible areas of interest for greening digital connectivity and ways of reducing energy consumption
- Examples
- Q&A



### Learning outcomes:

- understand the most common telecommunications regulatory frameworks, as well as the supporting elements and the business environment of the digital connectivity sector.
- engage in an in-depth case study analysis of a public-private partnership initiative to bridge the connectivity gap in a developing country.
- gain knowledge on implications of mainstreaming digitalisation for the Green Deal in partner countries within the framework of DG INTPA's work.
- application of Copernicus as part of the Delegations' work with institutional partners
- understand strategies to promote environmental monitoring, environmental diplomacy, and co-creation processes through digital technologies.





# Regulations, Case Study and Greening Digital Connectivity

Part 1 - Regulatory frameworks, supporting elements, and business environment

## Regulatory telecommunications evolution: overview

- Reforms in the 1990s has fueled the transition from monopoly structures to competitive ones
- New technologies and services have placed the telecommunications in the center of national economies and the growth of international trade in telecommunications services
- Two major setbacks:
  - Dot.com bubble burst at the beginning of the 21<sup>st</sup> century, resulting in a steep drop in stock market value for major operators. The crash in the telecommunications market affected numerous companies
  - Global economic crisis: mobile wireless market nears saturation in most industrialized countries. Since 2010 the global telecommunications landscape has been particularly shaped by the rapid take-up of the Internet and mobile wireless communications across the world



https://openknowledge.worldbank.org/bitstream/handle/10986/13277/74543.pdf?s equence=1





### Ex-ante and Ex-post Regulation

### Ex Ante Regulation

- <u>Prevent socially undesirable actions or</u> <u>outcomes</u> in markets, or Direct market activity towards socially desirable ends
- <u>Concerned with market structure</u>, *i.e.* the number of firms and level of market concentration, entry conditions, and the degree of product differentiation

### Ex Post Regulation

- Addresses anti-competitive behavior or market abuse
- Redress proven misconduct through a range of <u>enforcement</u> options including fines, injunctions, or bans
- <u>Concerned with market conduct</u> the behavior of a firm with respect to both its competitors and its customers

Source: ITU, 2021





https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/financialservices/deloitte-uk-digital-transformation-meets-regulation-part1.pdf

https://www.oecd.org/gov/regulatory-policy/Regulatory-effectiveness-in-the-era-of-digitalisation.pdf



https://stats.oecd.org/Index.aspx?QueryId=85336

https://www.oecd-ilibrary.org/sites/4bff5b26en/index.html?itemId=/content/component/4bff5b26-en



### 1. Objectives and rational: The Gaps Model

### 2. References:

https://www.itu.int/rec/T-REC-Y.3035-201506-I/en

- https://openknowledge.worldbank.org/bitstream/handle/10986/5927/518390PUB0REPL101Official0Use0Only1.pdf;sequen ce=1
- 3. Notes:
- The Gap Model is a general analytical framework. This model divides underserved areas into two different segments or "gaps".
- The market gap refers to the difference between the level of penetration that can be reached under current plans and conditions and the level that the market could achieve by means of an ideal regulatory and legal environment.
- The access gap, on the other hand, represents that portion of the market that even under an ideal legal and regulatory environment would not be covered by operators due to its high cost and/or low income level.
  - Within the access gap, there is a level of penetration that is worth noting the sustainability frontier. This frontier divides those projects that are expected to recover their operational costs and remain profitable and those that will not be profitable in any circumstances and will need continuous subsidies.



https://repository.upenn.edu/cgi/viewcontent.cgi?article=5968&context=edissertatio ns



https://repository.upenn.edu/cgi/viewcontent.cgi?article=5968&context=edissertatio ns



https://openknowledge.worldbank.org/bitstream/handle/10986/35218/9781464816 000\_Ch06.pdf



### **CSIRT: Computer Security Incident Response Team**



https://openknowledge.worldbank.org/bitstream/handle/10986/35218/9781464816 000\_Ch06.pdf



https://ec.europa.eu/info/sites/default/files/ht0120284enn.pdf

## Complementary infrastructure sectors and the need for regulatory convergence



https://sgp.fas.org/crs/misc/R45746.pdf

https://blogs.worldbank.org/ppps/infrastructure-sharing-energy-and-digital-development-takeaways-cross-sectoral-cooperation

## Discussion (10+10 min)

- Connectivity and data regulatory frameworks are set to allow a fair balance between incentives for competition, innovation and investment, as well as for consumer protection and fair use of digital technologies.
- EU has been playing a standard-setting, leading hole in telecommunications and data regulation during the last 30 years.
- The DSA and the DMA are in final debates among EU countries, and they are set to be the next regulatory frontier in the digital ecosystem.
- <u>Question for discussion</u>:

What instruments and programs are available or could be created by EC HQ and delegations to pro-actively influence countries around the world to adopt new regulatory frameworks set by the EC (e.g., the DMA and DSA)? Please discuss past experiences and ideas of new programs that could be created. European







https://ella.link/2022/03/09/ellalink-and-de-cix-announce-strategic-partnership/

https://ddtoolkits.worldbankgroup.org/broadband-strategies/case-studies/broadband-brazil

https://cetic.br/media/docs/publicacoes/2/20201123121817/tic\_dom\_2019\_livro\_el etronico.pdf

https://www.etice.ce.gov.br/2021/04/23/cinturao-digital-do-ceara-historia-e-promocao-da-transformacao-digital/

### Fact sheet about the Ceará Digital Belt

#### Facts

- Begin on 17, December 2008
- 8,060 km in length
  - Public company (4,150 km),
  - Private partners 3,910 km
- · It covers 105 municipalities in Ceará
- Economic impact R\$1.5 billion
- Connects around 90% of the Ceará State's countryside municipalities
- Provides free access to public institutions
- Provides <u>high-speed and quality Internet access</u> to 82% of the urban population of these municipalities

Source: ETICE, 2021; WB, 2015; Freitas et al., 2021

#### **Business Model**

1<sup>st</sup> - <u>public agencies and the State Court of Justice</u> in the Capital and metropolitan region were <u>interconnected</u>

2<sup>nd</sup> - fiber optic launched in the State countryside

3<sup>rd</sup> - connect <u>city halls</u> in the State countryside municipalities

- 4<sup>th</sup> <u>Concession</u> for service providers in exchange of:
  - Network maintenance
  - Price cap for Broadband services

#### Investment

CAPEX

•

- State Budget: 54%
- Federal Budget: 31%
- World Bank: 15%





https://cetic.br/media/docs/publicacoes/2/20201123121817/tic\_dom\_2019\_livro\_el etronico.pdf





NRENs – National Research and Education Networks

Source:

https://www.rnp.br/en/news/inauguration-bella-t-milestone-scientific-cooperation-between-european-union-and-latin-america

## Discussion

- The BELLA Program has focused on increase transcontinental data transmission capacity between EU and LATAM.
- The Ceará Digital Belt is a great example of how public incentives to middlemile networks can enable huge positive socioeconomic effects.
- The COVID-19 pandemic has inaugurated a new era for digital connectivity, as it finds now much more agenda among policymakers, international institutions, and development banks.
- Question for discussion:

In your view, or what should be the role of the European Commission in fostering development of digital connectivity throughout the world in the next decade? Please discuss main goals a high-level path to achieve them.







# Regulations, Case Study and Greening Digital Connectivity

Part 2 - Greening digital connectivity and data infrastructures





### 1. Intro: Some criticism

In the Netherlands comedian Arjan Lubach made a video on green datacentres. Lubach describes these mainly benefit the larger foreign companies, such as Google and Microsoft, that use the datacentres and the Netherlands as a 'hard disk for Africa and the Middle East'. While Dutch citizens are paying for the installation of the datacentres and get large windmills in their backyards, they do not benefit from the generated energy supply by the large wind parks. Public opinion is now shifting and becoming more critical towards the opening of new green datacentres in villages and cities that solely benefit foreign partners and businesses.



Source: https://youtu.be/OiPoR9OvD0Y

## 2. Overview: How does a datacentre work?

- A data centre data centre is a building, a dedicated space within a building, or a group of building is **used to house computer systems and associated components**, such as telecommunications and storage systems.
- Since IT operations are crucial for business continuity, it generally includes redundant or backup components and infrastructure for power supply, data communication connections, environmental controls (e.g., air conditioning, fire suppression), and various security devices. A large data centre is an industrial-scale operation using as much electricity as a small town.

Source: Wikipedia, https://en.wikipedia.org/wiki/Data\_center



Source: Nicholas Dodd, Felice Alfieri, Miguel Gama Caldas (JRC) Larisa Maya-Drysdale, Jan Viegand (Viegand Maagøe), Sophia Flucker, Robert Tozer, Beth Whitehead (Operational Intelligence), Anson Wu (Hansheng) Fiona Brocklehurst (Ballarat Consulting) (2022). Development of the EU Green Public Procurement (GPP) Criteria for Data Centres, Server Rooms and Cloud Services https://oc.ouropa.ou/opvironment/gap/pdf/irc118558\_2020\_0605\_data\_control\_top

https://ec.europa.eu/environment/gpp/pdf/jrc118558\_2020\_0605\_data\_centres\_tec hnical\_report\_jrc\_clean\_with\_id.pdf



- **Power usage effectiveness (PUE)** is a ratio that describes how efficiently a computer data centre uses energy; specifically, how much energy is used by the computing equipment (in contrast to cooling and other overhead that supports the equipment).
- PUE was originally developed by a consortium called The Green Grid. PUE was published in 2016 as a **global standard** under ISO.
- An ideal PUE is 1.0. Anything that isn't considered a computing device in a data centre (i.e. lighting, cooling, etc.) falls into the category of facility energy consumption.

## $\mathrm{PUE} = rac{\mathrm{Total Facility Energy}}{\mathrm{IT Equipment Energy}}$

Source: Wikipedia



https://www.theafricareport.com/148875/africa-why-data-centres-are-crucial-for-the-continents-sovereignty/



Source: Uptime Institute Global Survey of IT and Data Center Managers 2020 no. 313 https://uptimeinstitute.com/2020-data-center-industry-survey-results Cited in: https://journal.uptimeinstitute.com/datacenter-energy-efficiency-by-region/

Applications	Frameworks and standards	
Target setting (4) Reporting (9)	UN Sustainability Development Goals (SDGs)     Science-Based Targets Initiative (SBTi)     RE100     CE100     Sustainability Accounting Standards Board (SASB)     Carbon Disclosure Project (CDP)     Global Reporting Initiative (GRI)     Dow Jones Sustainability Indices (DJSI)     Global Real Estate Sustainability Benchmark     (GRESB)     Task Force on Climate-related Financial     Disclosures (TCED)	<ul> <li>2. Overview: Monitoring progress, proposed categories by datacentre Schneider Electric, 17 most relevant sustainability frameworks and standards for data centres</li> <li>Grouped into the following three categories:</li> <li>Target setting: These frameworks are used to set credible, science-based and realistic sustainability targets.</li> <li>Reporting: Similar to financial reporting, data centre operators can use these frameworks as guidance to provide qualitative and quantitative nonfinancial information to assess</li> </ul>
Certifying (4)	ISO/IEC 30134: Information technology-Data centers - Key performance indicators     ISO 14604: GHG Emissions Inventories and Verification     Leadership in Energy and Environmental Design (LEED)     ENERGY STAR     ISO 50001: Energy Management System     Building Research Establishment Environmental Assessment Method (BREEAM)	<ul> <li>Certifying: These frameworks provide a means for organizations to certify their sustainability improvements by meeting a minimum number of requirements or points.</li> </ul>

Notes: Standardizing these metrics will help with adoption, improve benchmarking, and progress sustainability within the industry. We propose five categories, which include 23 key metrics for data centre operators who are in the Beginning, Advanced and Leading stages of their sustainability journey. We also identify the 17 most relevant sustainability frame- works and standards to guide data centre operators in target setting, reporting, and certifying.

Source: Schneider Electric, Lin, P. Bunger, R. Guide to Environmental Sustainability Metrics for Data Centers

https://download.schneider-

electric.com/files?p\_enDocType=White+Paper&p\_Doc\_Ref=WP67\_SPD\_EN

## 3. Power usage, energy use in a datacentre

Data centres use approximately 1 % of global electricity use (IEA) for:

- Storing data; Backups components and infrastructure for power supply,
- data communication connections,
- · environmental controls,
- cooling (water or air (conditioning)),
- fire suppression,
- various security devices.

A large data centre is an industrialscale operation using as much electricity as a small town.





Source: https://www.iea.org/reports/data-centres-and-data-transmission-networks



Source: Statista.com. https://www.statista.com/statistics/186992/global-derived-electricity-consumption-in-data-centers-and-telecoms/

### 3. Green power usage of a datacentre

## ICT companies purchasers of renewable energy

- Hyperscale data centre operators in particular lead in corporate renewable energy procurement, mainly through power purchase agreements (PPAs).
- Google (12 TWh in 2019), Apple (1.7 TWh in FY2020) and Facebook (7 TWh in 2020) purchased or generated enough renewable electricity to match 100% of their operational electricity consumption.

## Efficiency improvements limited energy demand

 Strong growth in demand for data centre services continues to be mostly offset by ongoing efficiency improvements for servers, storage devices, network switches and data centre infrastructure, as well as the high and growing share of services met by highly efficient cloud and hyperscale data centres.



### Source: https://www.iea.org/reports/data-centres-and-data-transmission-networks



Source: NL Agency, sustainable cooling for data centres: https://www.rvo.nl/sites/default/files/2013/11/Sustainable%20cooling%20data%20c entres.pdf



Source: Wikipedia, https://en.wikipedia.org/wiki/Green\_data\_center



Source: Wikipedia, https://en.wikipedia.org/wiki/Green\_data\_center

# 4. Several technologies increase efficiency and decrease energy consumption in data centers.

- Data centers use electric power, releasing more than 98 percent of this electricity as heat. **Waste heat** can be actively **reused**, and a data center becomes a closed-loop heating system with no waste.
- Ultrasonic humidification. Large, white, square building under dark clouds. Ultrasonic humidification uses ultrasound to create moisture, using 90 percent less energy than conventional methods such as resistance steam humidifiers.
- **Evaporative cooling**. Evaporative cooling reduces heat by the evaporation of water.

Source: Wikipedia, https://en.wikipedia.org/wiki/Green\_data\_center

## 5. Example, ways used to reduce energy consumption – Green Mountain, Norway

#### Green Mountain is Norway's Fjord cooled data center:

"Green Mountain data centers are some of the world's greenest. Our unique location enables us to use 100% renewable hydropower to operate and cool our award-winning, high efficiency facilities, located deep inside Norwegian mountains".

### Off-the grid cooling system





### Source: https://greenmountain.no/



Source: https://celsiuscity.eu/wp-content/uploads/2020/01/122\_fig1.png



Image left: District heating systems in Europe by city size and for cities having more than 5000 inhabitants. The map shows 2428 cities with 2779 systems. Source: Halmstad University DHC Database. Heat Roadmap Europe 1 First Pre-Study for the EU27 Connolly, David; Mathiesen, Brian Vad; Østergaard, Poul Alberg; Möller, Bernd; Nielsen, Steffen; Lund, Henrik; Trier, Daniel; Persson, Urban; Nilsson, Daniel ; Werner, Sven. Cited in:

https://ec.europa.eu/environment/gpp/pdf/jrc118558\_2020\_0605\_data\_centres\_tec hnical\_report\_jrc\_clean\_with\_id.pdf



# Some tips mentioned in a discussion on Youtube on greening datacentres

- More frequent use of **eco-modus** on servers;
- · Consume less data;
- Increased consciousness on footprint when using data;
- **Greening software**: a user interface that uses less power, e.g. dark modus, more attention for green software in general;
- In the Netherlands the 'Climate Neutral Datacenter Pact' **policy formulated** with target PUE's in line with the Green Deal;
- **Green loans**, you pay less for a loan when achieving PUE results, but you pay more for that same loan when under performing;

Source: <a href="https://youtu.be/remoN1jFeZY">https://youtu.be/remoN1jFeZY</a>

### Some tips mentioned in a discussion on Youtube on greening datacentres

- **Continued dialogue with sector** and amongst professional and businesses on how to improve the greening of entire supply chains;
- Look at the **wider arena of data infrastructure**, not only at the greening of datacenters;
- Increased use of hydrogen fuel cells as a backup system, instead of diesel generators. The backup system might not be used on a continuous basis, but it is tested once a month;
- · Data driven improvements;
- Policy makers need to set goals, such as the Paris Agreement and the Green Deal to make change happen.

Source: <a href="https://youtu.be/remoN1jFeZY">https://youtu.be/remoN1jFeZY</a>

### Some tips mentioned in a discussion on Youtube on greening datacentres

- A reward might also be thinkable for actions that are hard to quantify, such as 'Do you turn your server off?' and 'What kind of server are you using?'
- Reuse of materials in data servers;
- **Rules and regulations** are leading for the larger enterprises to actually change their behaviour to become more sustainable and are guiding;
- Financing research in the greening of software and standardisation;
- An integral approach, looking at the issue from different points of view;

Source: <a href="https://youtu.be/remoN1jFeZY">https://youtu.be/remoN1jFeZY</a>

## Greening datacenters, warm or cold climate (5+5 minutes)

A cooler climate, such as in Europe, has advantages when it comes to cooling datacenters and thus in achieving a lower PUE. **Discussion:** How useful are these suggestions by Dutch experts, when focussing on the differences between greening datacenters in developing countries or European countries?

- Is there a practical example by any of the participants on the greening of a datacenter (possibly in a developing country)? What points of interest can we share with participants?
- What other experiences can we share in relation to sharing areas for imporvement in achieving a lower PUE in developing countries? What are possible opportunities and hickups for EC delegations on the greening of datacenters in developing countries?







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