

## Customer FAQ – energy

Given how complex and volatile energy pricing is currently, we've assigned the EMEA Command Centre team to support you throughout this turbulent period. To contact them with questions, please get in touch via the self-service portal and select 'billing inquiry' when submitting a ticket.

To make it easier to navigate through this document, please see hyper-links to the relevant sections below:

- [Energy pricing](#)
- [Invoicing changes](#)
- [Energy shortage](#)

### Pricing

#### 1. Why is Digital Realty increasing its energy prices?

When it comes to energy pricing, our goal is to provide stability for customers. To do this, we purchase energy in a way that allows us to provide a stable planning environment for our customers on an annual basis, while continually improving the power usage effectiveness (PUE) of our facilities.

However, recent geopolitical events have made forecasting challenging, and as all of us are experiencing in our day to day lives, energy prices have risen to unprecedented levels.

The events contributing to this rise include:

- Global concern over disruption to gas supply caused by conflict in Eastern Europe and fears that Russia will shut down the Nord Stream 1 pipeline and all gas deliveries into Europe.
- The halted development of Nord Stream 2.
- Gas prices driven up by China paying higher prices.
- Historical low availability of French nuclear power for 2022 (potentially until 2024).
- Elevated cost of EU allowances for carbon emissions which are now fluctuating between €80-€100 per ton. Analysts previously predicted that they would only reach €30 by 2030.

As a result of these events, we are reluctantly having to increase our energy prices.

We are focused on looking at where we can make energy savings across the board; however, our clear priority has and always will be, to continue to provide every one of our customers with industry-leading, reliable, and secure infrastructure and services – and that requires energy.

#### 2. How much is Digital Realty increasing its energy prices by? Are all customer's prices increasing by the same amount?

We will be increasing energy prices for all customers within the markets that are affected. If you are a multi-market customer, we will provide a breakdown of the exact amount prices are going up in your respective markets.

### **3. When is Digital Realty increasing its energy prices?**

We will confirm this in our direct communications with you.

### **4. Will Digital Realty decrease its energy prices again in the future?**

It is too early to tell. However, we want to be open and transparent with you on the reasons behind these price increases. Considering this, we have plans to periodically review our cost basis, and we will endeavour to pass on price decreases in the market where possible.

### **5. Why did you not lock in prices for 5-10 years immediately after the conflict in Ukraine / Russia?**

Markets are typically liquid three years ahead. Some are even only liquid two or three seasons ahead – the UK, for example. Also, it's not always the best idea to lock in large volumes too far ahead. Markets always have the potential to materially decrease due to changes in fundamental/technical factors.

Consistent to our strategy, we purchase energy in accordance with an internally governed energy risk management strategy. As such, future volume requirements are fixed through a combination of trades on the Futures market and Day-ahead market, as is deemed prudent and within the pre-defined framework. Future volume trades typically comprise a combination of year, season, quarter, and month products.

### **6. What is your energy procurement strategy?**

The energy commodity market is continually influenced by fundamental (long-term) and technical (short-term) factors. We have seen high volatility in the recent months, mainly due to bullish trends for both gas (tight supply combined with fear of Russian supply disruptions caused by the current geopolitical tensions) and CO2 allowances (supported by speculations from hedge funds and EU/UK policies).

It is difficult to predict with certainty what the future holds. However, our main objective is to ensure budget stability for our customers. To that end, we purchase energy in accordance with an internally governed energy risk management strategy ("ERMS").

As such, future volume requirements are fixed through a combination of trades on the Futures market and Day-Ahead market, as is deemed prudent and within the framework of the ERMS. Future volume trades typically comprise a combination of year, season, quarter, and month products.

Please note that we can only secure the energy commodity component which roughly represents half of the all-inclusive cost – the rest consists of regulated network charges and taxes/levies.

### **7. What is Digital Realty doing to make energy savings long-term?**

We are looking at where we can make energy savings across the board, including investing in more renewable cooling methods such as river cooling. We're making important headway in this area and in 2021 we became the first data centre operator to surpass one gigawatt of IT capacity certified in accordance with sustainable building standards, adding six new sustainable building certifications in the U.S., U.K., and Japan.

### **8. If the energy markets are bearish, will I benefit from decreases?**

We are currently reviewing our position for new contracts to ensure customers can share in the benefit of a bearish market. This will depend on the cost position of the company – if we have entered long term hedging, our price might not correlate to the market.

**9. My energy bill has already gone up to account for inflation (CPI) – why is it going up again?  
Are you double counting?**

CPI reflects the increase in our costs that has already happened and is adjusted for retrospective inflation. With the power price increases we are increasing for the costs now and in the future. For customers that will have the increase applied from October onwards, we will only be applying CPI/RPI to the base rent portion of their bill.

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**Unmetered customers – changes to invoicing**

The below extract represents a typical invoice for a customer with an unmetered 50kW cage in LHR20 that was received in respect of services provided in **September 2022**, prior to changes in the invoiced products and power prices.

In this example the services are configured as ‘kW Adv’ and ‘Private Cage’. The product configuration for space and power components will vary, but the important data points are the total monthly amount for Space and Power and the number of kW contracts.

In this example the total unmetered price for Space and Power is £425/kW on 50kW.

interxion™ A DIGITAL REALTY COMPANY		INVOICE						
Company ABC Mainstreet 1 1234 AB Amsterdam The Netherlands		CONTRACTING ENTITY INVOICE DATE INVOICE NUMBER CUSTOMER NUMBER DUE DATE INVOICE TYPE	Digital London Ltd. 21-Sep-2022 N/A A0099288/12345 21-Oct-2022 Example Invoice					
Customer Ref	Agreement Number	Description	Period	Qty	Unit Type	Unit Price	Net Value	
1	PO 1234	00-█████5	LHR20 - kW Adv	01-Sep-2022 to 30-Sep-2022	50.00	kW	GBP 300.00	GBP 15,000.00
2	PO 1234	00-█████0	LHR20 - Private Cage	01-Sep-2022 to 30-Sep-2022	40.00	Sqm	GBP 125.00	GBP 5,000.00
Net Total							GBP 20,000.00	
VAT (20% ) Total							GBP 4,000.00	
<b>To be paid</b>							<b>GBP 24,000.00</b>	

To separate the power usage element of the contracts and ensure transparency on any price changes, we have created the product ‘Pre-paid Power Monthly’ which will appear on invoices for unmetered power contracts going forward.

The below invoice demonstrates how the above product configuration would appear with the inclusion of the new product Pre-paid Power Monthly at a current price of £200/kW.

Note the prices of the ‘kW Adv’ and ‘Private Cage’ are reduced to only represent the capacity element and not usage. The invoice total has not changed.

Customer Ref	Agreement Number	Description	Period	Qty	Unit Type	Unit Price	Net Value	
1	PO 1234	00-█████5	LHR20 - kW Adv	01-Sep-2022 to 30-Sep-2022	50.00	kW	GBP 150.00	GBP 7,500.00
2	PO 1234	00-█████5	LHR20 - Private Cage	01-Sep-2022 to 30-Sep-2022	40.00	Sqm	GBP 62.50	GBP 2,500.00
3	PO 1234	00-█████5	LHR20 - Pre-paid power monthly	01-Sep-2022 to 30-Sep-2022	50.00	Aggregate Monthly kWh	GBP 200.00	GBP 10,000.00
Net Total							GBP 20,000.00	
VAT (20% ) Total							GBP 4,000.00	
<b>To be paid</b>							<b>GBP 24,000.00</b>	

Below is an example of the invoice for the same services provided in **October 22**. We have applied an increase to the power usage element through the 'Pre-paid Power Monthly' product. As an example, the below increase has been from £200/kW to £400/kW.

The prices of the kW Adv and Private Cage have not increased from the previous invoice. If your agreement is subject to indexation, then this will apply as normal to these products and not the Pre-paid Power Monthly.

Customer Ref	Agreement Number	Description	Period	Qty	Unit Type	Unit Price	Net Value
1 PO 1234	00 5	LHR20 - kW Adv	01-Oct-2022 to 31-Oct-2022	50.00	kW	GBP 150.00	GBP 7,500.00
2 PO 1234	00 5	LHR20 - Private Cage	01-Oct-2022 to 31-Oct-2022	40.00	Sqm	GBP 62.50	GBP 2,500.00
3 PO 1234	00 5	LHR20 - Pre-paid Power Monthly	01-Oct-2022 to 31-Oct-2022	50.00	Aggregate Monthly kWh	GBP 400.00	GBP 20,000.00
						Net Total	GBP 30,000.00
						VAT (20% ) Total	GBP 6,000.00
						<b>To be paid</b>	<b>GBP 36,000.00</b>

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## Energy shortage

### 1. Can you confirm how Digital Realty is preparing for any potential energy supply rationing in the EMEA market?

There is ongoing speculation regarding energy shortages in Europe this winter. So far, Digital Realty hasn't received any direct formal communication from European governments or local regulatory bodies confirming this is the case. However, we are working very closely with them to ensure they fully understand the importance of our services.

While the situation for the coming months remains unclear, Digital Realty is taking proactive steps today to mitigate this risk by looking across the breadth of its European portfolio and making preparations should there be any confirmed rationing or interruptions to fuel supplies. These preparations include operational measures such as making sure that we have sufficient supplies of fuel to power back-up generators at each European site, as well as establishing service level agreements with fuel suppliers that stipulate priority delivery of fuel.

More broadly, Digital Realty is actively monitoring the evolving situation and receiving routine briefings from both our infrastructure engineering and government relations teams, which will allow us to react quickly if an emergency were to occur.

### 2. Are there any country wide measures being implemented that would affect Digital Realty?

So far, Digital Realty hasn't received any direct formal communication from European governments or local regulatory bodies confirming that an energy shortage will occur. However, as a business, Digital Realty is actively monitoring the evolving situation and receiving routine briefings from both our infrastructure engineering and government relations teams, which will allow us to react quickly if an emergency were to occur.

#### [Specific to customers in CH]

In Switzerland, the Government has prepared several pieces of content to help guide corporate energy consumers on the risks, as well as what precautionary measures they can take to mitigate these risks. This information is available [here](#).

### **3. How are Digital Realty data centers classified by local governments?**

The majority of Digital Realty sites within Europe including Switzerland, Germany, France, and the UK, hold local classifications as sites of national importance due to the critical nature of the services we provide and support. This means that if a shortage were to occur, Digital Realty could be prioritized from both a fuel delivery and power access perspective.

Digital Realty is actively monitoring the evolving situation and working closely with European governments and local regulatory bodies to ensure they fully understand the importance of our services.

### **4. Does Digital Realty have a business continuity plan in place in the event of energy supply rationing in Europe?**

Yes – Digital Realty has a robust business continuity plan (BCP) in place which has been tailored to all its facilities across EMEA. It outlines the risks, their consequences, and the preventative measures we have in place across a number of areas including:

- Crisis management & executive emergency contacts
- Threat monitoring & incident escalation
- Technical operations
- Fuel management
- Physical security
- Cyber-security

Examples of some of the operational measures Digital Realty has in place include ensuring that we have sufficient supplies of fuel to power back-up generators at each European site, as well as establishing service level agreements with fuel suppliers that stipulate priority delivery of fuel.

The BCP is something that is revisited and update regularly in response to the evolving external environment.

### **5. Can you provide a copy of your business continuity plans in place in the event of energy supply rationing in the EMEA market and extended run-time of generator?**

Digital Realty's business continuity plan (BCP) is confidential, which means we're unable share it outside of the business. However, we want to assure you that it is robust and that we revisit and update it regularly in response to the evolving external environment.

The BCP has been tailored to all of Digital Realty's facilities across EMEA. It outlines the risks, their consequences, and the preventative measures we have in place across a number of areas including:

- Crisis management & executive emergency contacts
- Threat monitoring & incident escalation
- Technical operations
- Fuel management
- Physical security
- Cyber-security

In addition to the BCP, Digital Realty is taking proactive steps today to mitigate the risk of an energy shortage by looking across the breadth of its European portfolio and making preparations should there be any confirmed rationing or interruptions to fuel supplies. These preparations include operational measures such as making sure that we have sufficient supplies of fuel to power back-up generators at each European site, as well as establishing service level agreements with fuel suppliers that stipulate priority delivery of fuel.

More broadly, Digital Realty is actively monitoring the evolving situation and receiving routine briefings from both our infrastructure engineering and government relations teams, which will allow us to react quickly if an emergency were to occur.

**6. How much back-up generator fuel storage do you have on site (hours)?**

Digital Realty's global standard is to have a 90% minimum requirement per full load design with refills coordinated if the fuel capacity falls below 80% at any given time. Our standard minimum design requirement is 24 hours continuous full load operation unless otherwise specified.

**7. What are your current SLAs with fuel suppliers?**

Digital Realty currently maintains a minimum of 24-hour SLAs with diverse fuel providers in all European markets, allowing us to operate generators continuously for the specified time period. This can change depending on the situation in the local market.

**8. Do you have any country-specific run time limitations due to permitting or environmental restrictions that would impact your business continuity plans?**

There are currently no restrictions or limitations on the number of run-time hours should any of the following occur:

- Power interruption
- Government rationing of supply mandate
- Utility supplier enforced power supply disruption/restriction

**9. Has all maintenance been completed as per vendor defined timelines and maintenance standards?**

Yes – maintenance has been performed across the relevant critical assets in line with vendor guidelines and our own maintenance standards.

**10. What is Digital Realty doing in terms of its reliance on diesel fuel in the long run?**

While the majority of our back-up generators currently use diesel, we are looking at alternatives. In France, for example, at our PAR8 site, we have replaced traditional diesel for hydrogenated vegetable oil (HVO100) diesel, a renewable, synthetic fuel. We are now extending its usage across all data centers in France and considering how we can roll it out on a global scale.

**11. What is Digital Realty doing to lower the PUE of its facilities and limit its energy consumption more broadly?**

As an industry-leader, Digital Realty has a responsibility to focus its efforts on supporting the evolving needs of our global customer base, helping them deliver growth, while driving sustainable innovation to decarbonize our industry. Digital Realty is committed to minimizing its impact on the environment, and are working alongside our customers, investors, employees, and the communities where we operate to achieve that goal.

In 2020 we set aggressive science-based carbon emissions targets with the [Science-Based Target Initiative](#) (SBTi), becoming the first global data center organization of our size and scale to do so. This is in addition to long established energy and water efficiency targets. We have committed to reducing our scope 1 and 2 emissions (direct and indirect company emissions) by 68% and scope 3 emissions (indirect emissions in our value chain) by 24% by 2030.

We have several initiatives around the world specifically designed to reduce our energy consumption, from natural cooling solutions to innovative energy monitoring technology. To read more about what we're doing, check out our latest [ESG report](#).

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