Ireland's EirGrid dashes tech giants' cloud dreams with data center moratorium

Article

The news: To prevent power blackouts, Ireland's state-owned electric utility **EirGrid** has put a moratorium on new data center construction, per Engadget.

- The moratorium applies to all data center applicants, meaning one **Amazon Web Services (AWS)** data center project and two from **Microsoft** won't proceed.

- As a result, Amazon is building its data center in London and [Microsoft](#) is exploring sites in London, Frankfurt, and Madrid.

  How we got here: Tech giants have bold plans for new data centers globally, and local officials often welcome the jobs they create. But the projects are running afoul of a mounting energy crisis.

- Ireland's cooler climate and low corporate tax rate has made it attractive to companies like **Google**, **Meta**, **Intel**, and **Apple**, yet **data centers gobbled up 17% of the country's power generation** in 2021, [per](#) CNN.

- By 2030, the share could increase to **27%**, making data centers Ireland's single largest energy consumer. A sustained moratorium might restrain that outcome.

- Data center energy intensity is at odds with Europe's energy crisis that's driven by the war in Ukraine and climate change.

- It's just one of many energy-sucking sectors affected by the cost of natural gas [soaring](#) 500% YoY, with [aluminum](#) and fertilizer production among those hit.

- Meanwhile, droughts and [heatwaves](#) have simultaneously reduced power generation on the continent this summer, just as demand has risen for air conditioning.

  Rough waters ahead: Cloud giants like AWS and Microsoft look to data center [expansions](#) to garner new clients and offer more services. Yet tech companies will face more opposition to get those facilities built.

- Despite AWS' pivot to London, data centers in that city are already under scrutiny. Their presence has [blocked](#) housing construction due to competing energy demands.

- Compounding the issue is the sector's high [water use](#), which London utility Thames Water is currently assessing to make sure that drinking water isn't sacrificed for Big Data.

- A number of companies in addition to Microsoft are eyeing data center projects in Madrid and Frankfurt. However, with drought and [power generation](#) affecting water supplies in those cities, project approval is unlikely to be smooth sailing.

  The path forward: The opposing realities of our digital world and energy crisis won't abate in the near future. Tech's best bet for getting data centers built is to [make them](#) a lot more

sustainable.

- Despite [advances](#) in solar and wind technologies, data centers' high energy demands make them reliant on fossil fuels.

- Green hydrogen-powered microgrids offer an opportunity to satiate digital energy hunger while making data centers more sustainable and alleviating demand on municipal grids.

Actions UK Adults Are Doing Because Their Cost of Living Has Increased, July 2022

% of respondents

Spending less on non-essentials

61%

Using less fuel such as gas or electricity in their home

49%

Cutting back on non-essential journeys in their vehicle

46%

Spending less on food shopping and essentials

45%

Shopping around more

39%

Using their savings

24%

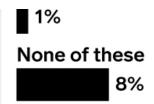**Making energy efficiency improvements to their home**

16%

Using credit more than usual (e.g., credit cards, loans, or overdrafts)

12%

Other

1%

None of these

8%

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