



Microsoft Data Center Heat Reuse

Project Status Report

David Gardiner and Associates



Status Report on Microsoft Data Center Heat Reuse Milestones

This report outlines the status of all project deliverables under the David Gardiner and Associates (DGA) Data Center Heat Reuse Project with Microsoft as of June 23, 2025. The goal of this project is to develop a pre-commercial feasibility study to further the scaling of data center heat reuse in Europe, particularly to the food & beverage (F&B) industry. DGA's project team and Microsoft will continue to meet regularly through October 2025 to discuss progress, problem-solve on issues that arise, and review deliverables as they are completed. We are happy to discuss any questions on the statuses or the details of the milestones.

Milestone #1: Launch the Project

Status: **Complete**

Activities to Date: The project began in May, with a project kickoff meeting on May 21, 2025.

Milestone #2: Proximity Analysis

Status: **Complete**

Activities to Date: The proximity analysis provides information on the locations of Microsoft data centers in Europe and any nearby F&B manufacturing facilities. It focuses on F&B facilities within three kilometers of a data center; however, the mapping includes F&B facilities further away for data centers that do not have a F&B facility within three kilometers.

The final proximity analysis deliverables were provided on June 18, 2025. This milestone included a slide deck with takeaways and methodology, an Excel document with more detailed data on facilities, and an interactive map of the European data centers and F&B facilities.

Milestone #3: Business Case Analysis

Status: **In Progress.** Final product is on track to be delivered by August 15, 2025.

Activities to Date: The Business Case Analysis is in progress, and scoping is nearly complete. This analysis will explore various scenarios (likely four to five) that consider key variables for data center heat reuse, including location, local regulations, cost of energy, temperature of heat, and offtaker industry. Relevant discussions with the client occurred on May 28, 2025 and June 4, 2025, and a final scoping discussion on the Business Case Analysis assumptions is



scheduled for June 25, 2025. The bulk of the Business Case Analysis will then be conducted in July, with a deliverable finalized for the client by mid-August.

Progress to date has included a decision to include two potential heat temperature scenarios: one assuming the current temperature of heat produced by a Microsoft data center (20 to 45 degrees Celsius), and one assuming a potential future temperature of heat from a data center (65+ degrees Celsius). This flexibility will allow for analysis of multiple heat offtaker types, providing a broader set of future considerations and options. Additional scoping has included discussion on the countries of interest in Europe, the offtaker industries of interest, the relevant costs to the data center and offtaker, and the potential need for a heat pump to lift the temperature of the heat at the offtaker facility.

Milestone #4: Food & Beverage Industry Interviews

Status: In Progress. Final product is on track to be delivered by September 12, 2025.

Activities to Date: The F&B industry interviews will be used to understand the needs and barriers of potential heat offtakers, particularly in the F&B industry in Europe. Initial work on this milestone has included developing a list of interview targets, beginning to compile contact information from internal project team connections, and developing an interview guide with a draft list of interview questions. These interview questions and interview targets will be discussed with the client (likely on June 25, 2025), before finalizing the interview guide and moving forward with outreach.

Interview targets include the energy managers or sustainability managers at large F&B companies that are part of the Renewable Thermal Collaborative (an effort that DGA co-leads), as well as other relevant companies that the project team is connected with. For example, these companies include Mars, PepsiCo, Unilever, and Coca-Cola.

Interview outreach will begin in July, with interviews conducted in July and August depending on schedules. Summary and key takeaways from all interviews will be compiled throughout the interview process and delivered to the client in September.

Milestone #5: Full F&B Heat Reuse Feasibility Analysis (Summary Report)

Status: In Progress. Final product is on track to be delivered by October 10, 2025.

Activities to Date: The Summary Report will compile the findings from the prior three milestones



(the proximity analysis, the business case analysis, and the F&B industry interviews) into one report. This milestone will also include a PowerPoint (PPT) slide deck to summarize the project's findings. Initial discussions have included ways to best communicate and compile findings, but the majority of the Summary Report will be developed in the August to October timeframe once results are available from the previous milestones. The project and its final report will position Microsoft to explore potential data center heat reuse project with food and beverage industry heat offtakers in Europe.