Google Bets on Wind for Data-Center Power

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Google announced a deal June 4 to buy a decade's worth of power from an uncompleted wind farm, which could net the search-engine giant a guaranteed source of renewable energy before such sources (possibly) get much harder to find.

Under the terms of the deal, Google agreed that its datacenter in Finland would be the sole customer for all the power from a wind farm being built by Swedish developer O2 Vind. By guaranteeing it would buy all the power from the farm (located in the town of Maevaara in Northern Sweden), Google made it possible for O2 to nail down a deal with German insurance firm Allianz to pay for planning and construction for the farm; Allianz will take full ownership of the facility once it’s completed in 2015.

While it doesn’t yet trump larger concerns such as real-estate costs, capital expenses, taxes, and even the cost of electricity, the availability of reliable sources of renewable energy has become a significant factor in the decision-making process for companies building data centers in the United States, according to John Boyd, Jr., CEO of Boyd Company, Inc., an independent consultancy that advises corporations on the location and cost of data centers.

“Green power, sustainability is the new touchstone in corporate boardrooms, so many of the layers in the corporate site-selection process have a green element to them,” he said. “There is a branding value to the concept—it’s not just lower-cost power, not just reliable power that is part of the decision. There is PR value in locating a datacenter where you can use green power.”

It’s not that Google or any other company’s intentions toward green power aren’t genuine, Boyd added. The positive publicity around renewable energy (especially for datacenters) is enough of an added benefit to help push corporate decision-makers to choose one location...
or provider over another—after working out other factors that come with a higher cost, of course.

Environmental activist organization Greenpeace has been critical of the datacenter industry for its use of power and of “dirty” sources of electricity (PDF), named Google a “Green IT Leader” in April for its use of renewable energy.

A public connection between a company’s name and renewable energy is not only good for that company’s image, but also benefits cities and towns in the United States with access to renewable energy, Boyd said. For example, steady (and comparatively inexpensive) hydroelectric power from the Columbia River has made Quincy, Wash. a hub for datacenters for companies such as Microsoft and Yahoo—benefitting the local economy.

But not all renewable-energy–powered data centers may be as green as they seem. “Companies do like to talk about green power, but you don’t really know how much of the power they use is green,” Boyd said. “Google went to court prior to its decision to site a datacenter in Prior, Oklahoma to make sure its power use would not be a matter of public record.”

Google has invested millions in the construction of solar– and wind farms in location both in the U.S. and overseas, and doesn’t seem like it’ll stop anytime soon.

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