Microsoft is planning to stream PC cloud games, internal emails reveal

Microsoft has been planning to stream PC games over the cloud, internal emails from the *FTC v. Microsoft* case show. Microsoft currently streams games through its Xbox Cloud Gaming service, but it's limited to Xbox titles as the servers run specialized Xbox Series X chips. Microsoft has been working on leveraging its Azure servers to stream PC games over Xbox Cloud Gaming.

Microsoft CEO Satya Nadella emailed Xbox chief Phil Spencer, Kareem Choudhry, head of cloud gaming at Microsoft, and Sarah Bond, head of Xbox creator experience, in July 2021 after rumors emerged of Google turning Stadia into a white-label cloud gaming service for developers to run their games on.

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"Seems like they will have a leg up because their stuff is more generic Linux VMs + Network…. But I am assuming we will do the same for Game Pass PC – right?" asked Nadella. Spencer was quick to respond in just over an hour to offer up his thoughts on Stadia and confirm that Microsoft is working on an Azure solution for streaming native PC games from the cloud.

"Google has the ability to reuse their Linux cloud hardware and yes as we stream PC native games from an Azure GPU SKU we would have more re-use scenarios to recoup costs," said Spencer, referring to the ability to offer a similar white-label cloud gaming service to developers and publishers.

“Phil is correct. Sarah [Bond] and I in partnership with Jason’s [Zander] team are driving a suitable Azure SKU… as part of a series that will serve the customer demand we see externally for IAAS and to run our xCloud PC streaming stack,” said Choudhry in the email chain. Part of the Azure SKU is redacted in the court document, but it’s clear Microsoft was working on streaming PC games over the cloud in July 2021.

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But earlier this year, Microsoft dropped some more hints about PC games being available on Xbox Cloud Gaming. British mobile network EE signed a 10-year deal with Microsoft to bring Xbox PC games to EE customers, but EE doesn’t currently offer a streaming service. It’s possible EE is building out a service, but it’s more likely that Microsoft is closer with its Azure service to stream PC games. Microsoft has been openly testing mouse and keyboard support for Xbox Cloud Gaming — but only for Xbox console games so far.

Elsewhere in this specific internal email chain, Spencer also offers up his thoughts on Stadia in July 2021. “I honestly think Google is in the process of just trying to turn Stadia into a Google Cloud SKU and do away with their first party consumer service,” said Spencer. “Google is a massive and aggressive competitor but honestly I’ve been surprised by their lack of progress with Stadia. To date our #1 competitor here is really nVidia with GeForce Now. But we keep our eye on both Google and Amazon with Luna (also struggling).”

Nearly a year after Spencer’s emails, Google announced it would shut down its Stadia service in January 2023.

https://www.theverge.com/2023/9/18/23878376/microsoft-xbox-cloud-gaming-pc-games-streaming-ftc-documents