Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
AB 1577 (Bauer-Kahan) – As Amended April 13, 2026

Policy Committee:	Utilities and Energy	Vote: 13 - 5
	Natural Resources	9 - 4

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill requires a data center report information on energy and water usage to local permitting agencies and, following energization of the data center, to report energy usage information to the California Energy Commission (CEC).

More specifically, this bill:

1) Requires the owner or developer of a data center, upon applying for authorization to construct or operate the data center, to provide the local government with jurisdiction over the project specified estimates regarding, among other things, energy consumption, water consumption, electricity generated onsite and expected sound levels to be generated by the data center.

2) Requires the owner of a data center to submit to CEC, upon energization of the data center and following any substantive change to the information submitted, data regarding the data center's physical characteristics and anticipated onsite electricity usage and generation.

3) Directs the CEC to include in the 2029 edition of CEC's Integrated Energy Policy Report (IEPR), and each subsequent edition of the IEPR thereafter, an assessment of electrical load trends for data centers.

4) Prohibits a local governmental agency or the CEC from disclosing information submitted to it in a manner that would result in the disclosure of identifiable information or energy consumption data for a specific data center customer, unless required by law or regulation.

FISCAL EFFECT:

This bill creates significant new analytical and administrative work for the CEC to accept and organize data submissions and assess, and regularly report on, electrical load trends for data centers. This work will likely require several new staff positions, at a cost of hundreds of thousands of dollars a year, as well as associated IT costs.

For its part, the CEC estimates costs of $1.2 million in the first year to support five positions and $915,000 annually thereafter to support four positions:

- Three electric generation systems specialists ($241,000 each annually ongoing), two of whom would develop regulations, collect and manage data, and support any data

analyses, and one of whom would conduct analyses for the assessment of electrical load trends to be included in the IEPRs.

- One information technology specialist ($191,000 annually ongoing) to establish and maintain an IT reporting platform for data center owners to submit required information to the CEC.

- One attorney ($273,000 in first year only) to provide legal support for adopting a data collection process and guidelines, particularly related to designating, labelling and managing information as confidential, proprietary or otherwise restricted.

The CEC also anticipates needing $100,000 in one-time contracting support to help establish and maintain an IT reporting platform.

The CEC's main funding source, the Energy Resource Program Account (ERPA) Fund, would be the likely source of funding for the work created by this bill; however, the CEC warns that the ERPA Fund continues to face a structural deficit and likely could not support these additional costs.

COMMENTS:

Data centers—facilities that house servers, storage devices and other computer-related infrastructure—are, by their nature, energy intensive: it takes a great deal of electricity to power such large concentrations of electronic equipment. California is home to many data centers, especially in the Silicon Valley region of Santa Clara County. Many expect data center development, and the associated demand for electricity and water, to continue and accelerate as the artificial intelligence (AI) industry grows.

Many have become concerned about the demands data centers will place on California's energy and water resources, as well as the effects of such data centers on electricity costs and the environment. The author intends this bill to make available data center-related information so that state and local government can better plan for data centers and avoid or mitigate any harm they may produce. According to the author:

> The rapid growth of the artificial intelligence (AI) industry is driving the construction of large, energy-intensive data centers across California. Increased energy demand, combined with grid infrastructure development needed to serve these facilities, risks increasing energy costs for Californians. At present, California lacks accurate statewide information on how many data centers exist, where they are located, how much energy they consume, how efficiently they operate, and how they affect California's power grid. This limits the ability of state and local agencies to plan infrastructure, evaluate efficiency opportunities, and protect ratepayers. AB 1577 closes this information gap by requiring data centers to report specified energy usage and efficiency information to the California Energy Commission on a monthly basis and requiring proposed data centers to provide estimated information to local agencies prior to beginning construction.

The bill is supported by, among others, the California Association of Counties, which, echoing the author, describes the bill as "equip[ing] local governments with the data needed to make informed decisions about project siting, infrastructure investments, and long-term sustainability planning…as counties work to meet state climate goals, manage constrained water resources, and ensure reliable energy availability for residents and businesses."

Many in industry disagree, as expressed by, for example, by the California Chamber of Commerce, which decries the bill as creating "a high-frequency, highly intrusive reporting regime that imposes significant compliance burdens, exposes sensitive operational information, and creates real security risks without a clear demonstration of commensurate policy benefit."

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