

## ASSEMBLY THIRD READING

AB 1577 (Bauer-Kahan)

As Amended May 18, 2026

Majority vote

**SUMMARY**

This bill requires data centers to report monthly energy usage and efficiency information to the California Energy Commission (CEC). The CEC must integrate this data into the 2029 Integrated Energy Policy Report (IEPR) and annually publish the data in an anonymized and aggregated format for the public. Additionally, data centers must submit similar energy and efficiency information to local agencies when requesting authorization to construct or operate a data center.

**Major Provisions****COMMENTS**

By 2028, data centers are predicted to use between 6.7% and 12% of the country's electricity. The speed at which the data center industry is growing has led to a sudden unpredictability in the future energy market. This growth is occurring alongside other changes to electricity demand, such as enhanced electrification in the building and transportation sectors, and climate change induced extreme events. There is little transparency into data center energy usage; transparency which would enable understanding or predicting market dynamics. Most tech companies and data center operators don't volunteer their energy usage information.

Through the CEC's Energy Benchmarking Program, buildings with more than 50,000 square feet of gross floor area must submit relevant energy performance data annually to the CEC. Data centers meeting this size, or housed within a building of this size or greater, are required to report on their energy usage information. Additionally, utilities submit information regarding existing and potential data centers for the IEPR's Data Center Demand Forecast. Based on the information currently received by the CEC, the prediction is that data center peak demand will start to plateau by the mid-2030s. Given the many unknowns and possibility for exponential growth, more information will be necessary to see if this prediction holds.

This uncertainty has rippling effects – limiting the state energy planners' abilities to accurately forecast grid system needs, limiting academic researchers from investigating a rapidly evolving technology and field, and stoking uncertainty and distrust among Californians. The goal of this bill is to address this dearth of information by increasing the transparency of data center energy usage and efficiency information.

**According to the Author**

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."

### **Arguments in Support**

The bill is supported by 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...[to] ensure reliable energy availability for residents and businesses."

The Little Hoover Commission writes in support that this bill meets the commission's recommendation to "enable regulators to confidentially access essential facility-level electricity-use data...to improve planning, assess localized impacts, and ensure fair cost responsibility while protecting sensitive business information."

### **Arguments in Opposition**

The Chamber of Commerce and Data Center Coalition, among others from industry, write in opposition to the bill that the requirements are "administratively burdensome, technologically impractical, and pose significant security risks to critical infrastructure." Additionally, they argue that data centers "are part of a larger portfolio driving increased electricity demand" and "should not be singled out for different and disparate treatment."

## **FISCAL COMMENTS**

According to the Assembly Committee on Appropriations, the CEC estimates costs of \$1.2 million in the first year and \$915,000 annually thereafter to support new positions.

## **VOTES**

### **ASM UTILITIES AND ENERGY: 13-5-0**

**YES:** Petrie-Norris, Boerner, Calderon, Mark González, Harabedian, Hart, Irwin, Kalra, Papan, Rogers, Schiavo, Schultz, Zbur

**NO:** Patterson, Chen, Davies, Ta, Wallis

### **ASM NATURAL RESOURCES: 9-4-1**

**YES:** Bryan, Connolly, Haney, Kalra, Muratsuchi, Pellerin, Schultz, Wicks, Zbur

**NO:** Ellis, Alanis, Hoover, Macedo

**ABS, ABST OR NV:** Garcia

### **ASM APPROPRIATIONS: 11-4-0**

**YES:** Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

**NO:** Hoover, Dixon, Ta, Tangipa

## **UPDATED**

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