SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1577 (Bauer-Kahan) - Data centers: reporting

Version: July 2, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: E.,U.& C. 13 - 4, JUD. 11 - 2
Mandate: No
Consultant: Ashley Ames

Bill Summary: This bill would require the California Energy Commission (CEC) to establish a process for the owner of a data center, as defined, to submit specified information, including the data center's location and size, power usage effectiveness, and the quantity of fuel consumed by onsite generators or other fuel-based energy systems. It would also require data center owners to report basic operating details — like location, size, energy efficiency, and onsite fuel use — to the CEC, and to give local governments information on expected energy use and noise when seeking permits to build or operate, so those agencies can use it for planning, energy supply assessment, and environmental review.

Fiscal Impact:
- The CEC estimates ongoing costs of about $1.3 million in the first year and $915,000 annually thereafter (Energy Resources Program Account [ERPA] or General Fund) to implement the provisions of this bill and incorporate data into its biennial Integrated Energy Policy Report (IEPR) beginning in 2029.

Background: Existing law creates the California Energy Commission (CEC) — five governor-appointed members, with a chair and vice chair designated every two years and a public adviser appointed every three — and tasks it with tracking energy consumption trends and their social, economic, and environmental effects, setting conservation measures such as building and appliance efficiency standards, and publishing an Integrated Energy Policy Report every two years (updated annually) that assesses statewide electricity, natural gas, and transportation fuel demand. Existing law also establishes the CEC's Building Energy Benchmarking Program, under which owners of commercial and multifamily buildings of at least 50,000 square feet must report energy use data to the CEC each year. Separately, existing law defines customers' electric and gas consumption data collected through advanced metering and generally bars utilities from disclosing it without customer consent, except where state or federal law or the CPUC requires it or where it is shared with certain third parties under specified data protection rules. Finally, existing law authorizes the CPUC to evaluate whether utility costs to serve new data center load shift costs onto other customers, requiring a published assessment by January 1, 2027 that examines procurement costs, new transmission and distribution costs to serve new or expanding data centers, and options for addressing any significant cost shifts.

Proposed Law: This bill would:

1. Require the CEC to establish a process for the owner of a data center, as defined, to submit specified information, including the data center's location and

size, power usage effectiveness, and the quantity of fuel consumed by onsite generators or other fuel-based energy systems.

2. Require the owner or developer of a data center, upon applying for a discretionary permit, entitlement, or land use authorization required for the construction or operation of the data center, to submit to the applicable local agency, as defined, specified information, including the expected annual energy consumption, as specified, and the expected sound levels attributable to the operation of the data center, as provided. The bill would authorize the local agency to use this information for various purposes, including, but not limited to, land use planning, infrastructure planning, energy supply assessment, and environmental review.

    a. Prohibit the CEC or a local agency from disclosing this information in a manner that would result in the disclosure of identifiable information or energy consumption data for a data center customer, except as provided.

    b. Require the CEC to establish a process for the owner of a data center to obtain an exemption from reporting data that would jeopardize trade secrets if disclosed.

Related Legislation:

SB 886 (Padilla, 2026) would establish requirements for a special rate structure for large data centers. The bill requires the CPUC to adopt a tariff for these data centers that prevents other customers from paying for certain electrical infrastructure and load costs for large, transmission-interconnected data centers.

SB 887 (Padilla, 2026) would establish certain permitting permissions for data centers that meet specified criteria. These criteria include provisions similar to the requirements for the tariff specified in this bill.

SB 978 (Pérez, 2026) would have required the CPUC to create a special rate structure for large data centers to prevent cost shifts to other customers. The bill would have established labor requirements for the construction of facilities subject to the bill. The bill would have expanded existing CPUC reporting requirements to include a specified assessment about data center impacts to renewable procurement goals. The bill died in this committee.

AB 2383 (Zbur, 2026) would require the CPUC to adopt special tariffs for large-load customers, including data centers. The bill specifies certain conditions these tariffs must meet, including preventing cost shifts between customer classes and avoiding unwarranted costs for other electric retail customers.

SB 57 (Padilla, Chapter 647, Statutes of 2025) authorized the CPUC to assess the extent to which electrical corporation costs for new loads from data centers result in cost shifts to other electrical corporation customers. The bill also required the CPUC to publish and submit a report regarding its assessment to the relevant legislative policy committees by January 1, 2027.

AB 222 (Bauer-Kahan, 2025) would have required the CPUC to assess the extent to which electrical corporation costs for serving data centers result in cost shifts to other customers. The bill also would have required the CEC to establish a process for data centers to submit specified energy efficiency data to the CEC, and it required the CEC to assess data centers' energy consumption. Certain provisions of the bill were substantially similar to provisions in this bill. The bill died in this committee.

SB 1298 (Cortese, 2024) would have increased the amount of thermal generation a data center could use as backup power from 100 MW to 150 MW without triggering the CEC's power plant siting process. The bill would have also created conditions for data centers to use this exemption. The bill died in the Assembly.

Staff Comments: The ERPA is the CEC's principal ongoing support fund — the account that pays for most of its core operations, and the fund source bills routinely name when they assign the CEC new duties. ERPA is funded by the energy resources surcharge, a per-kilowatt-hour charge imposed under the Energy Resources Surcharge Law (Revenue and Taxation Code §40001 et seq.) on electricity consumed in California that is purchased from an electric utility. Utilities collect it from customers and remit it to CDTFA, which administers the surcharge. The CEC sets the surcharge rate each November for the following calendar year. The rate is capped by statute at three-tenths of a mill ($0.0003) per kWh, a cap last raised from $0.0002 in 2002, and the CEC exercised its remaining authority in late 2018 to raise the rate from $0.00029 to $0.0003 effective January 1, 2019. It has stayed at that ceiling ever since, including for calendar year 2026.

Because the fund is now pinned at its statutory maximum while its revenue base shrinks, ERPA has a long-running structural imbalance. According to the CEC, as building and appliance efficiency standards and behind-the-meter solar flatten statewide consumption, ERPA revenues decline while costs fall on fewer customers; behind-the-meter rooftop solar, wind, and non-utility generation are exempt from the surcharge, so revenues fall further as that capacity grows.

Total ERPA expenditures were roughly $95.7 million in 2024-25, with the fund balance projected to decline steadily. Recent budgets have continued to load new statutory workload onto the account — for example, the Governor's 2026-27 budget requested $660,000 from ERPA to implement SB 237 (Grayson, 2025) and $342,000 for AB 368 (Ward, 2025) on passive house standards. Legislation directing new CEC reporting, rulemaking, or oversight work generally draws on a fund with no headroom in its rate and a declining revenue base.

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