
THIRD READING

Bill No: AB 1577
Author: Bauer-Kahan (D)
Amended: 8/13/26 in Senate
Vote: 21

SENATE ENERGY, U. & C. COMMITTEE: 13-4, 6/24/26

AYES: Allen, Archuleta, Arreguín, Becker, Caballero, Gonzalez, Hurtado,
McNerney, Reyes, Richardson, Rubio, Stern, Wahab

NOES: Ochoa Bogh, Dahle, Grove, Strickland

SENATE JUDICIARY COMMITTEE: 11-2, 6/30/26

AYES: Umberg, Allen, Ashby, Caballero, Durazo, Laird, Reyes, Stern, Wahab,
Weber Pierson, Wiener

NOES: Niello, Valladares

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/13/26

AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 57-16, 5/26/26 - See last page for vote

SUBJECT: Data centers: reporting

SOURCE: Author

DIGEST: This bill (1) requires the owner of a data center to submit specified information regarding the data center's energy consumption and operations to the California Energy Commission (CEC) and the local agencies permitting the construction of the data center; (2) sets limitations on the ability of the CEC and local agencies to disclose information submitted by data centers and requires the CEC report on load impacts of data centers in the Integrated Energy Policy Report (IEPR).

ANALYSIS:

Existing law:

- 1) Establishes the CEC, consisting of five members appointed by the Governor, and specifies the duties of the CEC. Every two years, the Governor must designate a chair and vice chair from the CEC's membership. The CEC must appoint a public adviser every three years to carry out certain public engagement duties. (Public Resources Code §25200 et. seq.)
- 2) Requires the CEC to assess trends in energy consumption and analyze the social, economic, and environmental consequences of these trends. The CEC must establish energy conservation measures, including building and appliance energy efficiency standards, and recommend additional conservation measures to the Governor and the Legislature. (Public Resources Code §25216)
- 3) Requires the CEC to adopt an IEPR every two years, with an update published every year. Existing law specifies the contents of the IEPR and requires the CEC to report on major energy trends in the IEPR, including assessments of statewide electricity, natural gas and transportation fuel demands. (Public Resources Code §25302)
- 4) Establishes the CEC's Building Energy Benchmarking Program, which requires owners of large commercial and multifamily buildings with 50,000 square feet of gross floor space to report specified energy use data to the CEC annually. (Public Resources Code §25402.10)
- 5) Defines "electrical or gas consumption data" as a customer's electrical or natural gas usage that is made available as part of an advanced metering infrastructure and includes incremental and monthly meter-specific electricity data, to the extent produced by that infrastructure, and the name, account number, and address of the customer. Existing law prohibits electric and gas utilities from disclosing customers' electrical or gas consumption data without the customer's consent unless state law, federal law, or the CPUC orders the disclosure of the data. Utilities may also share customer consumption data with certain third parties for operational needs or implementation of certain utility programs if specific data protection requirements are met. (Public Utilities Code §8380)
- 6) Authorizes 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. Existing law specifies that this assessment must be published by January 1, 2027, and it must include the following:

- a) An analysis of potential electrical corporation costs associated with utility procurement for data center electricity consumption.
- b) An analysis of potential electrical corporation costs associated with new transmission and distribution assets to serve new data centers or expansions of existing data centers, as specified.
- c) Identification of opportunities to address any substantial cost shifts. (Public Utilities Code §913.22)

This bill:

- 1) Defines a data center as a facility, or part of a facility, housing computing equipment for the processing, storing, or distributing electronic data.
- 2) Excludes both of the following from this bill's definition of a data center subject to data reporting requirements:
 - a) A facility with an electrical load below 10 megawatts (MW).
 - b) A publicly funded research facility, public safety facility, publicly funded national security facility, publicly owned facility, or other utility facility, including, but not limited to, a facility operated for the purpose of providing telecommunications services to the public by a terrestrial facilities-based telecommunications provider.
- 3) Requires the owner of a data center to submit the following information to the CEC upon energization by the data center's electric utility:
 - a) The name and address of the data center and contact information for the data center's owner and operator.
 - b) The start date of the data center's operation.
 - c) Specified information about the data center's floor area.
 - d) The facility's anticipated peak load from an interconnection request.
 - e) The anticipated on-site electrical generation and consumption, including type of generation.
- 4) Requires the owner of a data center to submit the following information to the CEC at least annually following the data center's energization:

- a) Specified information about the data center's electrical load, power usage effectiveness, and participation in any demand response program.
 - b) Specified information about the data center's waste heat, cooling mechanisms, and temperature of cooling used for the data center.
 - c) Specified information about on-site generation and consumption.
- 5) Requires the CEC to limit duplicative reporting requirements and account for data submission delays associated with the time a data center owner needs to obtain data from a utility or third party.
- 6) Requires the CEC to include the following in the 2029 IEPR, and in subsequent IEPRs as determined by the CEC:
- a) Projections of data center load trends, including peak load demands.
 - b) Recommendations for mitigating data center load impacts on the electric grid, greenhouse gas (GHG) emissions, and potential efficiency and demand response measures.
- 7) Requires the CEC to annually publish information submitted by data centers in an anonymized and aggregated format on the CEC's website.
- 8) Requires the CEC to establish a process for a data center to obtain an exemption from reporting data that would jeopardize trade secrets if disclosed.
- 9) Requires the owner or developer of a data center to submit specified information regarding the data center's energy consumption, on-site generation, and sound emissions to a local government when applying for a discretionary permit, entitlement, or land use authorization needed for the data center's construction or operation.
- 10) Authorizes a local government to use information submitted by a data center pursuant to this bill for various purposes, including, but not limited to, land use planning, infrastructure planning, energy supply assessment, and environmental review.
- 11) Prohibits the CEC or a local agency from disclosing data center information collected pursuant to this bill in a manner that would result in the disclosure of identifiable information or energy consumption data for a specific data center customer.

Background

Bill expands access to information about data centers' energy consumption and operations. This bill establishes the following three separate data reporting requirements for the owners of data centers with at least 10 MW of electricity consumption:

- A requirement to submit certain information about the data center's building elements and anticipated energy consumption at the time the data center is energized by its electrical utility.
- A requirement to annually report the data center's electricity consumption and certain operations of the data center at a monthly level of granularity.
- A requirement to submit information to a local permitting agency regarding the data center's anticipated energy needs and noise levels at the time that permits are requested.

These requirements are intended to address concerns that state energy plans and local permitting reviews lack sufficient real-world data regarding data centers' energy needs and building operations to adequately plan for those needs and potential local impacts. According to a May 2024 report from the CEC, data centers comprise approximately two percent of the state's total annual electricity demand. The CEC anticipates that data centers' electricity consumption may double in the next 10 years without implementation of any additional energy efficiency measures. Load growth from data centers has been substantially higher in other states. Pennsylvania – New Jersey – Maryland Interconnection (PJM) operates the largest regional grid in the United States. In January 2026, data from PJM indicated that 40% of its expected increased electricity demand will come from data centers. With this increase in electricity demands, PJM has seen record high costs for electricity to meet future reliability needs in addition to new transmission costs. Consumers in four states within PJM territory paid over \$4 billion in 2024 alone for transmission projects serving data centers. California has not experienced the level of data center growth seen in some other states; however, a number of California's utilities are projecting substantial data center load growth in the next four years.

Data centers are not uniform, and their impacts depend on many factors. Data center impacts largely depend on the size of the facility and location at which the data center is built. Not all data centers pose the same load planning challenges or provide the same services. While some data centers provide the computing power used to support artificial intelligence (AI) software, other data centers provide data

storage and transit services, including data centers that comprise part of the backbone of the telecommunications system. Generally, data centers primarily supporting AI and supercomputing are associated with substantially higher rates of energy consumption due to the types of computer chips used and the volume of these chips needed to run AI software and supercomputers. However, the impact that a data center has on utility and local resources largely depends on the availability of existing resources in the location at which the data center is constructed. A 10 MW data center constructed in an area with excess electrical grid capacity may pose no major energy impacts and can support beneficial electrification if coordinated effectively with the utility. A similarly sized facility built in a grid-constrained area may create significant new challenges for that region's utility. These challenges can also delay construction and energization of a data center.

The CEC may already have some of the data required by this bill. The CEC administers the Building Energy Benchmarking Program, which requires owners of commercial and multifamily buildings with at least 50,000 square feet of floor space to report specified information about the building's energy use to the CEC on an annual basis. As a result, the CEC already collects energy consumption data from data centers with at least 50,000 square feet of floor space. This bill would require the owner of a data center with at least 10 MW of electricity consumption to submit a larger scope of information to the CEC regarding the energy consumption and operations of the facility. As a result, data centers would be required to report substantially more information to the CEC than other building owners in the Building Energy Benchmarking Program.

Existing prohibitions on sharing customers' energy usage data. Existing law (Public Utilities Code §8380) prohibits electric and gas utilities from sharing customers' consumption data unless the customer provides the utility with consent to share that information. Historically, customers' metered energy consumption data and associated personal information has been protected by customer privacy restrictions placed on utilities. These privacy protections are intended to prevent third parties from using customer energy consumption to infer additional personal information or proprietary and confidential business information. Disclosure of certain energy consumption and trends in energy use for a specific customer can enable third parties to make certain assumptions about the customer's behavior, technology use, and personal habits without the customer's consent. This bill prohibits local agencies from disclosing information about data centers that would result in the release of personally identifiable information or information about a specific customer's energy consumption. Under the Building Energy

Benchmarking Program, a building owner may request a trade secret exemption from the executive director of the CEC. Upon receiving this exemption, the building owner may report certain characteristics about the building; however, the owner is not required to report energy use data. This bill requires the CEC to extend the existing trade secret data protections to data submitted pursuant to this bill.

Related/Prior Legislation

SB 886 (Padilla, 2026) establishes 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. The bill is pending in the Assembly.

SB 887 (Padilla, 2026) establishes certain environmental leadership permitting permissions for data centers that meet specified criteria. The bill is pending in the Assembly.

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 was held by the Senate Appropriations Committee.

AB 2383 (Zbur, 2026) requires the CPUC to adopt special tariffs for data centers. The bill specifies certain conditions these tariffs must meet, including preventing cost shifts between data centers and other utility customers. The bill is pending before the full Senate.

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 was held by the Senate Appropriations 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.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- The CEC estimates one-time costs of about \$1.3 million (Energy Resources Program Account [ERPA] or General Fund) to incorporate the required information regarding data centers into its biennial Integrated Energy Policy Report (IEPR) in 2029.
- Ongoing costs, likely in the hundreds of thousands of dollars annually (ERPA or General Fund), for the CEC to include assessment of electrical load trends for data centers in its subsequent IEPRs should it determine to do so.

SUPPORT: (Verified 8/13/26)

Ava Community Energy
California Initiative for Technology & Democracy
California State Association of Counties
League of California Cities
Little Hoover Commission
Santa Monica Democratic Club
The Climate Reality Project, California State Coalition
The Greenlining Institute
Union of Concerned Scientists

OPPOSITION: (Verified 8/13/26)

Bay Area Council
Building Owners and Managers Association of California
CalAsian Chamber of Commerce
California African American Chamber of Commerce

California Business Properties Association
California Chamber of Commerce
California Hispanic Chamber of Commerce
California Manufactures and Technology Association
CalBroadband
CTIA - the Wireless Association
Data Center Coalition
NAIOP California
Silicon Valley Leadership Group
TechCA
TechNet
US Telecom - the Broadband Association

ARGUMENTS IN SUPPORT: 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 by requiring proposed data centers to provide estimated information to local agencies prior to beginning construction.

ARGUMENTS IN OPPOSITION: In opposition, a coalition of real estate and business associations, including the Data Center Coalition, states:

The data center industry is committed to active partnerships with utilities, grid operators, and regulators to address load growth and facilitate effective planning. We advocate for enhanced communication, collaboration, and transparency among all stakeholders to ensure investments are data-driven, appropriately scaled, and protect all customers from unnecessary costs. Through continued collaboration among industry, policymakers, and other stakeholders, strategies can be effectively employed to promote responsible energy use while maintaining California as a key, competitive market in the global economy. AB

1577 imposes a heavy-handed and burdensome reporting regime that ignores the complexity of data center operations, and the security needs of our digital economy. We urge you to reconsider this approach in favor of a collaborative framework that leverages existing reporting requirements and cycles.

ASSEMBLY FLOOR: 57-16, 5/26/26

AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Gallagher, Garcia, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Alanis, Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Hadwick, Hoover, Johnson, Lackey, Macedo, Patterson, Ta, Tangipa, Wallis

NO VOTE RECORDED: Flora, Gipson, Muratsuchi, Nguyen, Ramos, Celeste Rodriguez, Valencia

Prepared by: Sarah Smith / E., U. & C. / (916) 651-4107
8/17/26 10:38:01

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