CONCURRENCE IN SENATE AMENDMENTS
AB 1577 (Bauer-Kahan)
As Amended August 21, 2026
Majority vote

SUMMARY

This bill requires data centers to report 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.

Senate Amendments

1) Move data center reporting requirements related to local agencies to the Government Code, along with relevant data privacy requirements.

2) Modify the definition of data center to be a facility with an electrical capacity of more than 10 megawatts and specifies that publicly funded research facilities, public safety facilities, publicly funded national security facilities, publicly owned facilities, or other utility facilities, including, but not limited to, telecommunication facilities are not included in the definition of data center.

3) Make minor and clarifying changes to the definition of "owner" of a data center, and "onsite generation."

4) Remove requirements to report of waste heat reused by the data center.

5) Clarify that the CEC should establish reporting requirements that not only reduce duplicative filings and facilitate the submission of substantially similar information but also account for reasonable delays in reporting the required information.

6) Clarify that data center owners or operators submit required information at least annually following energization with data disaggregated by month, unless otherwise specified by the CEC.

7) Require the CEC to establish a process for a data center to identify information that the owner or operator claims is exempted or prohibited from disclosure pursuant to federal or state law.

COMMENTS

By 2030, data centers are predicted to use 11.8% of forecasted U.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."

Ava Community Energy writes in support that this bill "will require new responsibilities for the CEC, [but] those investments are justified by the significant long-term planning benefits the bill provides."

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 Senate Committee on Appropriations, the CEC estimates one-time costs of about $1.3 million to incorporate the required information into the 2029 IEPR and ongoing costs in the hundreds of thousands of dollars annually.

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

ASSEMBLY FLOOR: 57-16-7
YES: 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
NO: Alanis, Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Hadwick, Hoover, Johnson, Lackey, Macedo, Patterson, Ta, Tangipa, Wallis
ABS, ABST OR NV: Flora, Gipson, Muratsuchi, Nguyen, Ramos, Celeste Rodriguez, Valencia

SENATE FLOOR: 29-10-1
YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
ABS, ABST OR NV: Richardson

UPDATED

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