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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair  
2025 - 2026 Regular Session

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### AB 222 (Bauer-Kahan) - Data centers: power usage effectiveness: cost shifts

**Version:** July 7, 2025

**Policy Vote:** E., U. & C. 13 - 3, JUD. 11 - 2

**Urgency:** No

**Mandate:** No

**Hearing Date:** August 18, 2025

**Consultant:** Ashley Ames

**Bill Summary:** This bill would require the California Public Utilities Commission (CPUC) to establish a process for the owner of a data center, as defined, to submit the power usage effectiveness ratio, as defined, for the data center to the CPUC, as provided. The bill would also require the CPUC to assess the extent to which electrical corporation costs associated with new loads from data centers result in cost shifts to other electrical corporation customers, as specified.

#### **Fiscal Impact:**

- The CPUC estimates ongoing costs of about \$938,000 annually (ratepayer funds) until the sunset date of January 1, 2031 to assess and submit a legislative report by January 1, 2027, on the extent to which electrical corporation costs associated with new loads from data centers could result in cost shifts to other customers.
- The California Energy Commission (CEC) estimates ongoing costs of about \$176,000 annually (Energy Resources Programs Account [ERPA] or other fund) until the sunset date of January 1, 2031 to handle the data management, data collection, and support data analyses necessary.

**Background:** This bill would limit the access to public records by providing that data center energy consumption can be reported in the aggregate, but not in a manner that would result in the disclosure of personally identifiable information or energy consumption data for a specific utility customer.

Access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in this state. (Gov. Code § 7921.000.) In 2004, the right of public access was enshrined in the California Constitution with the passage of Proposition 59 (Nov. 3, 2004, statewide general election), which amended the California Constitution to specifically protect the right of the public to access and obtain government records: "The people have the right of access to information concerning the conduct of the people's business, and therefore . . . the writings of public officials and agencies shall be open to public scrutiny." (Cal. Const., art. I, sec. 3 (b)(1).) In 2014, voters approved Proposition 42 (Jun. 3, 2014, statewide direct primary election) to further increase public access to government records by requiring local agencies to comply with the CPRA and the Ralph M. Brown Act, and with any subsequent statutory enactment amending either act, as provided. (Cal. Const., art. I, sec. 3 (b)(7).)

Under the CPRA, public records are open to inspection by the public at all times during the office hours of the agency, unless they are exempt from disclosure. (Gov. Code § 7922.525.) A public record is defined as any writing containing information relating to

the conduct of the public's business that is prepared, owned, used, or retained by any public agency regardless of physical form or characteristics. (Gov. Code § 7920.530.) There are several general categories of documents or information that are permissively exempt from disclosure under the CPRA essentially due to the character of the information. The exempt information can be withheld by the public agency with custody of the information, but it also may be disclosed if it is shown that the public's interest in disclosure outweighs the public's interest in non-disclosure of the information. (CBS, Inc. v. Block (1986) 42 Cal.3d 646, at 652.). Additionally, some records are prohibited from disclosure or are specifically stated to not be public records. (see Gov. Code § 7924.110(a).)

California generally recognizes that public access to information concerning the conduct of the people's business is a fundamental and necessary right. At the same time, the state recognizes that this right must be balanced against the right to privacy. The general right of access to public records may, therefore, be limited when records include personal information. The bill states that this limitation on access to public records is needed to protect the confidential and proprietary information of an entity subject to the bill.

**Proposed Law:** This bill would:

1. Require the CPUC to include, as a part of the 2027 edition of the IEPR, an assessment of electrical load trends for data centers. The assessment shall include all of the following:
  - a. A projection of future load trends from data centers.
  - b. Identification of potential net peak load demands.
  - c. Recommendations for mitigating data center electricity consumption impacts on the electrical grid, including any recommended energy efficiency and demand response measures.
2. Authorize the CPUC to report data center energy consumption in an aggregate basis, but prohibits disclosure of data center energy consumption information in a manner that would result in the disclosure of personally identifiable information or energy consumption data for a specific utility customer.
3. Require the CPUC to establish a process for the owner of a data center to submit the power usage effectiveness ratio for the data center to the commission on a biannual basis. The owner of a data center shall submit the power usage effectiveness ratio for the data center in a manner and timeframe specified by the CPUC.
4. Define, for purposes of 1) through 3), above, the following definitions:
  - a. "Data center" means a room, or a portion of a room, in a building used primarily to house information technology equipment that serves a total information technology equipment load greater than 10 kilowatts and 20 watts per square foot of conditioned floor area.
  - b. "Power usage effectiveness" means a ratio of the total energy consumption of a data center to the energy specifically used by the information technology equipment housed in that data center.

5. Require the CPUC to assess the extent to which electrical corporation costs associated with new loads from data centers result in cost shifts to other electrical corporation customers. This assessment shall include all of the following:
  - a. An analysis of potential electrical corporation costs associated with procurement to meet growing load demands from data centers' increased energy consumption.
  - b. An analysis of potential electrical corporation costs associated with the installation of new transmission and distribution assets to serve new data centers or expansions of existing data centers.
  - c. To the extent that the commission finds that electrical corporation costs to serve new loads from data centers will result in substantial cost shifts to other electrical corporation customers, the commission's assessment shall also identify opportunities to prevent or mitigate these costs.
6. Require the CPUC, on or before January 1, 2027, to submit the assessment completed pursuant to this section to the relevant policy committees of the Legislature and publicly post a copy of the assessment on the CPUC's website.
7. Repeal these provisions on January 1, 2031.
8. Make Legislative findings regarding limiting access to public records.

**Related Legislation:**

SB 57 (Padilla, 2025) would establish a tariff for customers with at least 50 MW of load interconnecting with transmission, identifies utility costs included in this tariff, requires the tariff to ensure just and reasonable rates, and prohibits cost shifts to customers who are not participating in the tariff.

SB 58 (Padilla, 2025) would provide certain tax incentives for data center equipment if those data centers using the equipment meet certain job creation, economic investment, and renewable energy requirements.

Prior Legislation: 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.

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