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

AB 2383 (Zbur) - Electricity: data centers

Version: July 2, 2026
Urgency: No
Hearing Date: August 13, 2026

Policy Vote: E., U. & C. 13 - 4
Mandate: Yes
Consultant: Ashley Ames

Bill Summary: This bill would require the California Public Utilities Commission (CPUC) to establish a new electricity rate class for data centers by January 1, 2028. This bill would require electrical corporations to file separate tariffs for transmission and distribution services and for generation services provided to data centers that enter into a new interconnection agreement to receive retail electrical service at the transmission level on or after January 1, 2027. This bill would also require electric service providers (ESPs) and community choice aggregators (CCAs) to adopt generation tariffs that meet this bill's requirements.

*********** ANALYSIS ADDENDUM – SUSPENSE FILE ***********
The following information is revised to reflect amendments adopted by the committee on August 13, 2026

Fiscal Impact:
- Ongoing costs, likely in the high hundreds of thousands of dollars annually (ratepayer funds), for the CPUC to open or expand a proceeding creating a new classification and rate schedule for data centers, evaluate cost allocation, stranded-cost, and cost-shift issues associated with those customers, develop minimum contract requirements between data centers and load-serving entities including contract duration, early termination fees, minimum payment requirements, and onsite-generation reporting, ensure consistency of those requirements across LSEs, and provide associated legal, policy, administrative, and Administrative Law Judge support — among other things.
- To the extent that this bill impacts electricity rates, it could result in costs or savings to the state as an electric utility ratepayer. The State of California is an electricity customer, purchasing roughly one percent of the state's electricity. As such, the state incurs costs when rates increase, and realizes cost savings if rates go down (various funds).

Committee Amendments: Committee amendments would make this provisions of this bill operative only if SB 886 (Padilla) is enacted and becomes effective by January 1, 2027.

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