
THIRD READING

Bill No: AB 93
Author: Papan (D)
Amended: 8/29/25 in Senate
Vote: 21

SENATE NATURAL RES. & WATER COMMITTEE: 5-2, 6/24/25
AYES: Limón, Allen, Hurtado, Laird, Stern
NOES: Seyarto, Grove

SENATE LOCAL GOVERNMENT COMMITTEE: 5-2, 7/16/25
AYES: Durazo, Arreguín, Cabaldon, Laird, Wiener
NOES: Choi, Seyarto

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/29/25
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 51-14, 5/29/25 - See last page for vote

SUBJECT: Water resources: data centers

SOURCE: Author

DIGEST: This bill requires data centers, when applying for a business license, to report their expected water use to their water supplier; when renewing a license, to report their water use to the appropriate city or county; and to self-certify that they will meet certain efficiency guidelines and best practices developed by the Department of Water Resources (DWR) and State Energy Resources Conservation and Development Commission (Energy Commission or CEC).

ANALYSIS:

Existing law:

- 1) Authorizes the legislative body of an incorporated city or a county board of supervisors to license businesses within their respective jurisdictions. (Business and Professions Code (BPC) §§16000, 16100)
- 2) Requires the state to achieve a 20% reduction in urban per capita water use by December 31, 2020 (20x2020 target) and requires each urban retail water supplier to establish their own target to contribute towards achieving the statewide 20% reduction goal. (Water Code (WAT) §§10608.16, 10608.20)
 - a) Permits an urban retail water supplier that has a substantial percentage of industrial water use in its service territory to exclude “process water” from its calculation of its urban water use target to meet the 20x2020 target. (WAT §10608.24(e))
 - b) Defines “process water” as water used by industrial users to produce a product or product content or water used for research and development. Includes water used for cooling in buildings used in the manufacturing process, control rooms, data centers, laboratories, clean rooms, and other industrial facilities. (WAT §10608.12)
- 3) Requires DWR, in coordination with the State Water Resources Control Board (State Water Board), to conduct studies and investigations to develop recommendations for efficient water use by commercial, industrial, and institutional (CII) water users by October 1, 2021. The State Water Board was required to adopt performance measures for CII water use based on these recommendations by June 30, 2022. (WAT §10609.10)

This bill:

- 1) Requires a person who owns or operates a data center, before applying to a city or county for an initial business license, equivalent instrument, or permit, to provide its water supplier, under penalty of perjury, an estimate of the expected water use.
- 2) Requires, when applying to the city or county for an initial business license, equivalent instrument, or permit, the person to self-certify, under penalty of perjury, on the application, that they have provided their water supplier an

estimate of the expected water use. Requires, when applying for a renewal, the person to self-certify, under penalty of perjury, that they have provided the data center's water supplier with a report of annual water use.

- 3) Requires a person who owns or operates a data center, as a condition for obtaining or renewing a business license, to self-certify that it will meet efficiency guidelines and best practices developed by DWR.
- 4) Defines "data center" as a room, or 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 conditional floor area. Authorizes DWR to identify different tiers of data centers based on factors affecting water consumption and appropriate standards for each data center tier.
- 5) Declares that it is the intent of the Legislature that data centers are considered commercial, industrial, and institutional users under the state's "Making Conservation a California Way of Life" regulation, consistent with urban water use objectives.

Background

Data centers. Data centers are buildings or facilities that support servers, digital storage equipment, and network infrastructure for the purpose of large-scale data processing and data storage. Increasing demand for data creation, processing, and storage from existing and emerging technologies, such as online platforms/social media, video streaming, smart and connected infrastructure, autonomous vehicles, and artificial intelligence, has led to exponential growth in data center workloads and compute instances. There is increasing awareness of the energy and water demands (primarily related to cooling) associated with data centers as AI and other technologies are being deployed.

Commercial, Industrial, and Institutional (CII) Water Use Performance Measures. To support the CII sector's progress towards improving water use efficiency, DWR has been directed to develop performance recommendations, or performance measures, for the CII sector. Performance measures means actions to be taken by urban retail water suppliers that will result in increased water use efficiency by CII water users.

DWR's recommendations include, among others, the following:

- *Require urban retail water suppliers to classify all CII water users into one of 19 categories within five years of the State Water Board's adoption of the recommendation.* According to the report, the 19 categories are sufficient to address major CII water uses and provide adequate differentiation among different CII sectors to facilitate data collection. In the recommendations, data centers were specifically identified in the “manufacturing” category.
- *Require urban retail water suppliers to develop a CII-Best Management Practices (BMP) implementation program targeting the highest CII water users.* The BMPs should focus on those that can be implemented by urban retail water suppliers without explicit consent of CII water users or associated property owners, and BMPs that can be implemented with either voluntary actions from CII water users or their property owners, or in response to requests, incentives, or other programs. The report notes that “CII Water User BMPs considered in the CII-BMPs Performance Measure do not include process water BMPs because process water is categorically excluded from the CII water use performance measures (WAT §10608.12(n)). However, urban retail water suppliers are encouraged to collaborate with CII water users to implement process water BMPs, where feasible.”

See Senate Natural Resources and Water Committee analysis for additional background information.

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

According to the Senate Appropriations Committee, there are “unknown limited-term costs for [DWR], likely in the low millions of dollars over four years (General Fund) to implement the provisions of the bill.”

SUPPORT: (Verified 8/29/25)

350 Bay Area Action
California Coastkeeper Alliance
Center for Environmental Health
Clean Water Action
Climate Reality Project Bay Area Chapter
Climate Reality Project San Diego
Climate Reality Project San Fernando Valley Chapter
Climate Reality Project, Los Angeles Chapter
Climate Reality Project, Orange County
Community Water Center

County of Los Angeles Board of Supervisors
Humboldt Waterkeeper
Inland Empire Waterkeeper
Leadership Counsel Action
Los Angeles Waterkeeper
Monterey Waterkeeper
Orange County Coastkeeper
Russian Riverkeeper
San Diego Coastkeeper
Santa Barbara Channelkeeper
Santa Barbara; City of
Shasta Waterkeeper
Solano County Democratic Central Committee
South Yuba River Citizens League
The Climate Reality Project, California State Coalition
The Otter Project
Water Climate Trust
Yuba River Waterkeeper

OPPOSITION: (Verified 8/29/25)

Data Center Coalition
Silicon Valley Leadership Group
Technet

ARGUMENTS IN SUPPORT: According to the author, “[a]s technology has evolved into the new frontier of Artificial Intelligence, the demand for data centers has exploded, and with it increased competition over our most precious natural resources. Even with recent developments in water efficiency, data centers use a considerable amount of water. Since data centers prioritize cheap energy sources and proximity to customers, many data centers are being developed in water stressed areas. As California’s needs for data processing grows, a better understanding of the ratepayer impacts and environmental tradeoffs must be understood. AB 93 is a pragmatic solution that carefully considers a delicate balance of resource demand, local resources constraints, and revenue benefits of data center expansion.”

ARGUMENTS IN OPPOSITION: Data Center Coalition, Silicon Valley Leadership Group, and TechNet argue that “[t]he proposed water reporting requirements could force businesses to disclose sensitive trade secrets, harm their competitive edge, and risk creating safety and security vulnerabilities.” The group also writes that “[m]andating disclosure of detailed proprietary and sensitive

operational details indicating computer workloads ... can be used by business competitors to deduce trade secrets and inform competitive strategies. Sharing of this information may leave this critical infrastructure more exposed to cyber threats, industrial espionage, and potential exploitation by foreign adversaries.” Additionally, “AB 93 risks sifting job creation and innovation by discouraging data center expansion.”

ASSEMBLY FLOOR: 51-14, 5/29/25

AYES: Addis, Aguiar-Curry, Ahrens, Arambula, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Stefani, Valencia, Wicks, Wilson, Zbur, Rivas

NOES: Alanis, Castillo, Davies, DeMaio, Dixon, Ellis, Flora, Jeff Gonzalez, Hadwick, Hoover, Lackey, Patterson, Sanchez, Wallis

NO VOTE RECORDED: Alvarez, Ávila Farías, Bains, Bryan, Chen, Gallagher, Nguyen, Patel, Sharp-Collins, Solache, Soria, Ta, Tangipa, Ward

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