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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair  
2025 - 2026 Regular Session

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**SB 887 (Padilla) - California Environmental Quality Act: environmental leadership development projects: data centers: clean energy powerplant projects**

**Version:** April 9, 2026

**Urgency:** No

**Hearing Date:** May 14, 2026

**Policy Vote:** E.Q. 4 - 1, E., U. & C. 13 - 3

**Mandate:** Yes

**Consultant:** Ashley Ames

**Bill Summary:** This bill would establish criteria by which a data center construction project can qualify for permit streamlining under the California Environmental Quality Act (CEQA) as an environmental leadership develop project (ELDP). It would also prohibit data centers from receiving a categorical exemption from CEQA, and clarify that geothermal powerplants meeting certain requirements are eligible to be ELDPs.

\*\*\*\*\* **ANALYSIS ADDENDUM – SUSPENSE FILE** \*\*\*\*\*

The following information is revised to reflect amendments  
adopted by the committee on May 14, 2026

**Fiscal Impact:**

- The California Energy Commission (CEC) estimates ongoing costs of approximately \$1.5 million annually (Energy Resources Program Account [ERPA] or General Fund) for seven positions to implement the requirements of this bill. The CEC notes that there is no funding source identified in the bill, and that, because of the ongoing structural deficit within ERPA, it may not be an appropriate fund source to support the implementation of this bill.
- The Governor’s Office of Land Use and Climate Innovation (LCI) estimates one-time costs of about \$1 million spread over two years (General Fund) to facilitate the inclusion of data centers and geothermal powerplants into the judicial streamlining program.
- The California Public Utilities Commission (CPUC) anticipates any costs would be minor and absorbable.
- To the extent the Attorney General successfully brings civil action against reporting entities in violation of the provisions of this bill, potential increases in state revenues of an unknown amount due to the collection of civil penalties.

**Committee Amendments:** These amendments would clarify the meaning of a “data center” for purposes pertaining to CEQA exemptions.

1. Specify that a “data center” does not include a publicly funded research facility, public safety facility, national security facility, publicly owned facility, and other utility facility, including, but not limited to, an asset of a facilities-based telecommunications provider.
2. Remove the 50 MW provision from the definition of a data center that can seek designation of an environmental leadership development project.

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