

Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY  
Cottie Petrie-Norris, Chair  
SB 887 (Padilla) – As Amended May 18, 2026

**SENATE VOTE:** 29-9

**SUBJECT:** California Environmental Quality Act: environmental leadership development projects: data centers: clean energy powerplant projects

**SUMMARY:** Prohibits data centers from receiving a categorical exemption from California Environmental Quality Act (CEQA) requirements but establishes criteria by which a data center construction project can qualify for permit streamlining under CEQA as an “environmental leadership development project.” This bill also clarifies that a geothermal powerplant that meets certain requirements is eligible for designation as an environmental leadership development project. Specifically, **this bill:**

- 1) Makes a number of findings and declarations regarding data center growth and demand.
- 2) Defines data centers as large-scale energy consumers that require uninterrupted electricity to serve a facility housing servers and related equipment and software for the processing, storage, and distribution of data. Clarifies that this definition does not include any of the following facilities:
  - a. A publicly funded research facility
  - b. A public safety facility
  - c. A national security facility
  - d. A publicly owned facility
  - e. Other utility facilities, including, but not limited to, an asset of a facilities-based telecommunications provider.
- 3) Clarifies that data centers that meet the following criteria may be certified as an “environmental leadership development project.”
  - a. Pay the full cost of interconnection to prevent cost shifts to other ratepayers.
  - b. Does not increase fossil fuel consumption within the state.
  - c. Includes zero-carbon energy storage with at least four hours of capacity at 100% of forecasted peak demand for the facility.
  - d. Uses onsite zero-carbon energy storage to provide demand response services to the electrical grid.
  - e. Relies on zero-carbon generation located behind the meter to the maximum extent feasible.
  - f. Recovers fully from the data center operator all electrical grid investments, including costs of new generating capacity, to serve the data center in the event the data center ceases operations.
  - g. Uses recycled water and water-efficient technology or waterless cooling systems.
  - h. Will rely on 100% zero-carbon electricity resources to serve hourly energy needs within five years of initial operations, of which 75% shall be newly developed.
  - i. Will meet the requirements for considerations of disadvantaged communities, as defined.

- j. Enters into one or more legally binding and enforceable community benefits agreements with community-based organizations, such as workforce development and training organizations, labor unions, community foundations, local governmental entities, or California Native American tribes. In developing the community benefits agreement, the project applicant shall engage with nearby affected communities to identify community benefits that are priorities of the affected community. The community benefits agreement shall include an enforceable agreement that benefits the residents of nearby and affected communities and may include mitigation measures for environmental impacts.
  - k. Meets the specified labor requirements for covered projects.
- 4) Requires the California Energy Commission (CEC) to develop uniform statewide standards for the conditions specified in #3, to require regular compliance reporting by the operations of the data centers, and to initiate enforcement proceedings in the event of noncompliance.
  - 5) Allows geothermal power plants that meet the following criteria to be certified as an “environmental leadership development project:”
    - a. Meets the criteria for an eligible renewable energy resource, as defined.
    - b. Meets the specified labor requirements for covered projects.

#### **EXISTING LAW:**

- 1) Defines projects that constitute an “environmental leadership development project” for the purposes of obtaining certain CEQA streamlining benefits. Existing law expressly includes certain housing developments, clean energy manufacturing projects, renewable solar or wind energy projects that do not use waste incineration or conversion, and certain infill development projects in the definition of environmental leadership development projects. (Public Resources Code § 21180)
- 2) Establishes criteria for energy infrastructure projects that qualify for certain CEQA streamlining benefits. Existing law specifies that these projects include facilities that meet the definition of a renewable energy resource in the Renewables Portfolio Standard (RPS) program, which includes geothermal energy. (Public Resources Code § 21189.81)
- 3) Provides the CEC with exclusive authority to certify all thermal power facilities in the state, regardless of whether a facility is a new thermal power site or an addition to an existing site. A certificate provided by the CEC for a power facility serves in lieu of any permit, certificate, or similar authorization required by any local, regional, state, or federal agency to the extent permitted by federal law. (Public Resources Code § 25500)
- 4) Designates the CEC as the lead review agency under CEQA for projects subject to the CEC’s powerplant siting review authority. Any other public agency making a decision related to the CEQA review of a powerplant that is subject to the CEC’s authority must use the CEC’s certification review as the environmental impact report for that decision. (Public Resources Code § 25519)
- 5) Establishes an opt-in permitting process at the CEC for certain non-fossil fueled power generation facilities, which includes geothermal energy. Existing law specifies certain

criteria a facility must meet in order to qualify for this opt-in certification. These criteria include, but are not limited to, meeting certain labor standards for the construction of the facility seeking certification. (Public Resource Code § 25545 et. seq.)

- 6) Defines a renewable electrical generation facility as a facility that meets certain criteria and uses the following to generate electricity: biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells or linear generators using fuels, small hydroelectric generation of 30 MW or less, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current. (Public Resources Code § 25741)

**FISCAL EFFECT:** According to the Senate Appropriations Committee, the CEC estimates ongoing costs of \$1.5 million annually and the Governor’s Office of Land Use and Climate Innovation estimates one-time costs of about \$1 million spread over two years.

### **BACKGROUND:**

*Data center growth and energy demand* – The growth of data centers has led to concerns about the potential impact these facilities may have on the supply, reliability, and affordability of energy resources. While data center load growth in California has been more gradual than rapid expansion experienced in states like Virginia, the state is still home to the 3<sup>rd</sup> most data centers in the U.S.<sup>1</sup>

The expansion of data centers has introduced a fast-growing and geographically concentrated source of electricity demand in California.<sup>2</sup> Data centers are characterized by high, sometimes continuous (24/7) loads with often relatively limited demand flexibility, placing sustained pressure on transmission and distribution infrastructure. Recent analyses by the CEC indicate that data center electricity consumption is increasing, with projections suggesting significant growth in demand over the next decade.<sup>3</sup> This growth may require large-scale infrastructure upgrades. In the 2024-2025 Draft Transmission Plan, the California Independent System Operator (CAISO) identified billions of dollars in transmission upgrades needed over the next decade to serve anticipated load growth,<sup>4</sup> in part driven by new data centers. Particularly, the clustering of data centers in specific regions (like the Bay Area<sup>5</sup>) can strain local transmission capacity and necessitate costly upgrades for new service lines.

*Data center environmental impacts* – While there is potential for substantial growth in energy demand from data centers, there is still a lot of ambiguity in exactly how this load growth will materialize and what the environmental impacts of this growth will be. Most tech companies and data center operators don’t volunteer their energy and water usage information. This lack of

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<sup>1</sup> Pew Research Center, April 2026, [https://www.pewresearch.org/short-reads/2026/04/13/most-new-data-centers-in-the-us-are-coming-to-rural-areas/?utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=sendto\\_localnewsletter&stream=top#\\_ga=2.72310295.585440314.1781736234-1579009186.1781736234](https://www.pewresearch.org/short-reads/2026/04/13/most-new-data-centers-in-the-us-are-coming-to-rural-areas/?utm_source=newsletter&utm_medium=email&utm_campaign=sendto_localnewsletter&stream=top#_ga=2.72310295.585440314.1781736234-1579009186.1781736234)

<sup>2</sup> Smith, Sarah et al. "United States Data Center Energy Usage Report: 2025 Update." June 2026, Lawrence Berkeley National Laboratory, Berkeley, California. <https://escholarship.org/uc/item/33m6w3x0>

<sup>3</sup> Slide 8-9: Data Center Demand Growth, from CEC 2025 IEPR Forecast, [https://www.energy.ca.gov/sites/default/files/2026-01/2026-01-05\\_DAWG\\_Mtg\\_Slides-Combined\\_ada.pdf](https://www.energy.ca.gov/sites/default/files/2026-01/2026-01-05_DAWG_Mtg_Slides-Combined_ada.pdf)

<sup>4</sup> 2024-2025 Transmission Plan, CAISO

<sup>5</sup> Slide 20: Data Center Projection Pipeline, from PG&E 2024 Investor Update, [https://s21.q4cdn.com/673114418/files/doc\\_events/2024/06/1/2024-Investor-Update-Presentation\\_Final.pdf](https://s21.q4cdn.com/673114418/files/doc_events/2024/06/1/2024-Investor-Update-Presentation_Final.pdf)

transparency makes it difficult to understand or predict the full impact of energy demand and related environmental impacts. In a recent and extreme example, a proposed data center in Imperial County (discussed more below) recently filed a lawsuit against the Imperial Irrigation District for rejecting its request for access to 260 million gallons of water annually, roughly equal to the annual needs of 7,300 Imperial County residents.<sup>6</sup> In addition to energy and water demand, another main concern with data center growth is the current reliance on diesel backup generators. For example, since 2011, 17 of the 36 Small Power Plant Exemptions (SPPE)<sup>7</sup> granted by the CEC have been for backup generating facilities serving data centers. Only 1 of the 17 was not for diesel generator systems.<sup>8</sup> The reliance on backup generators for data centers has led to increases in emissions<sup>9</sup> and growing concerns about broader health impacts from these facilities.

*Data center opposition* – As data centers continue to expand in California and across the U.S., opposition has been on the rise. Indeed, recent reporting highlights that local agencies and the affected communities have real concerns about the impacts data centers pose on local resources and their communities.<sup>10, 11</sup> According to a recent Gallup Poll, about 70% of those surveyed would oppose local construction of an AI data center, with 50% of those in opposition also mentioning that this concern was based, in part, on the effect on resources in their community.<sup>12</sup> Net-Zero, one of the sponsors of this bill, in partnership with FM3 Research, recently published a survey of 850 interviewees that found similar results in California, with 70% of those surveyed opposing the construction of data centers in their communities.<sup>13</sup>

This opposition is starting to take the form of local action against data centers. In the City of Monterey Park, voters recently approved a measure that created a permanent citywide ban on data centers, the first city in the U.S. to do so.<sup>14</sup> In San Jose, Council members recently voted to have the city manager come up with uniform guidelines for data centers to help mitigate environmental impacts, provide a process for community engagement, and support cleaner infrastructure.<sup>15</sup> In an area already home to a significant number of data centers, this seems like a clear response to increased public concern. In an area poised for future data center development,

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<sup>6</sup> Suzuki, K, KPBS, Imperial Valley data center developer files lawsuit seeking access to Colorado River water, June 15, 2026, <https://www.kpbs.org/news/environment/2026/06/15/imperial-valley-data-center-developer-files-lawsuit-seeking-access-to-colorado-river-water>

<sup>7</sup> For facilities between 50-100 MW

<sup>8</sup> <https://www.energy.ca.gov/programs-and-topics/topics/power-plants/power-plant-compliance-and-siting>

<sup>9</sup> Kollar, A. & Grady, C., The relationship between data centers and the climate is a systems challenge: a spatial analysis of United States data centers, *Environ. Res. Commun.*, 2025, <https://iopscience.iop.org/article/10.1088/2515-7620/ae193a>

<sup>10</sup> Wang, Rage against the machine: a California community rallied against a datacenter – and won, the Guardian, February 2026, <https://www.theguardian.com/us-news/2026/feb/07/california-monterey-park-stop-datacenter-construction>

<sup>11</sup> Data Center Watch: 125% Surge in Data Center Opposition, <https://www.datacenterwatch.org/q22025>

<sup>12</sup> Jones, J., Gallup, Americans Oppose AI Data Centers in Their Area, May 13, 2026,

[https://news.gallup.com/poll/709772/americans-oppose-data-centers-](https://news.gallup.com/poll/709772/americans-oppose-data-centers-area.aspx?utm_medium=email&utm_campaign=WhatMatters&utm_source=31&utm_source=ActiveCampaign&utm_medium=email&utm_content=The%20city%20that%20said%20no%20to%20data%20centers&utm_campaign=WhatMatters)

[area.aspx?utm\\_medium=email&utm\\_campaign=WhatMatters&utm\\_source=31&utm\\_source=ActiveCampaign&utm\\_medium=email&utm\\_content=The%20city%20that%20said%20no%20to%20data%20centers&utm\\_campaign=WhatMatters](https://news.gallup.com/poll/709772/americans-oppose-data-centers-area.aspx?utm_medium=email&utm_campaign=WhatMatters&utm_source=31&utm_source=ActiveCampaign&utm_medium=email&utm_content=The%20city%20that%20said%20no%20to%20data%20centers&utm_campaign=WhatMatters)

<sup>13</sup> Net Zero California, June 16, 2026, <https://www.netzerocalifornia.org/blog/new-poll-70-of-california-voters-oppose-data-centers>

<sup>14</sup> La, Lynn, CalMatters, The city that said no to data centers, June 17, 2026, <https://calmatters.org/newsletter/data-center-monterey-park-ban/>

<sup>15</sup> Chu, J. San Jose Spotlight, San Jose moves to create data center standards amid community concerns

the City of Imperial is suing Imperial County over a proposed data center, alleging the improper application of a ministerial approval for a grading project that would lead to an extremely large data center.<sup>16</sup> This process is still playing out in litigation, and recently the Sierra Club filed a lawsuit challenging the Imperial County Supervisors' decision to allow parcels of land to be joined together for the data center project.<sup>17</sup> On June 16, the Imperial County Board of Supervisors voted to freeze approval for all data center projects for 45 days, temporarily halting any further development of the litigated data center.<sup>18</sup> Without a clear state-wide strategy to address environmental and cost concerns associated with data centers, it is likely that a localized approach will continue to develop and may result in a piecemeal approach to this growing industry.

#### COMMENTS:

- 1) *Author's Statement.* According to the author, "Data centers are being built at breakneck speed without adequate guardrails, creating air quality, water supply, and energy supply challenges for local communities across the country. Imperial county, which has one of the highest unemployment rates in the state, is currently evaluating multiple proposed hyperscale projects that could transform the region. This could bring substantial economic development to the region, but if done incorrectly, could have disastrous impacts on public health and energy costs. This measure incentivizes good neighbor data center development for projects that support California's grid and the communities in which they are built."
- 2) *Purpose of the bill.* The goal of this bill is twofold. First, clarify that data centers, as defined, are not eligible for a CEQA categorical exemption. Second, establish a "gold standard" for data centers looking to be determined as an "environmental leadership development project" (ELDP) and receive permit streamlining under CEQA. To achieve the designation of an ELDP, data centers must meet a number of criteria, most of which are centered around clean energy targets. For example, this includes a requirement for data centers to rely on 100% zero-carbon electricity resources to serve hourly needs within five years of initial operation. Others relate more to the costs associated with data centers, such as requirements to pay the full cost of interconnection and recovery of grid investments. While not a mandate for any data center to follow these criteria, the bill attempts to send a signal on expectations to the data center industry.

While many of the criteria in the bill are largely a reflection of California's clean energy goals (focused on promoting zero-carbon energy storage and generation), it is unclear how likely it will be for any data center to meet these requirements. Many hyperscalers<sup>19</sup> have continued to uphold corporate sustainability commitments, but as AI-related

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<sup>16</sup> Black, L. SFGATE, California community panics as \$15 billion in data centers planned, February 5, 2026, <https://www.sfgate.com/california/article/california-data-centers-21331191.php>

<sup>17</sup> Suzuki, K, KPBS, Sierra Club sues Imperial County over approval of massive data center complex, May 27, 2026, <https://www.kpbs.org/news/environment/2026/05/27/sierra-club-sues-imperial-county-over-approval-of-massive-data-center-complex>

<sup>18</sup> Suzuki, K., KPBS, After months of public pressure, Imperial County passes temporary moratorium on data centers, June 17, 2026, <https://www.kpbs.org/news/politics/2026/06/17/after-months-of-public-pressure-imperial-county-passes-temporary-moratorium-on-data-centers>

<sup>19</sup> Large-scale operators that deliver rapid computing power and cloud-based storage to support AI and other data-intensive applications. Examples include Amazon Web Services (AWS), Microsoft Azure, and Google Cloud.

computing continues to surge, there have also been indications that those commitments are wavering.<sup>20</sup> It is also unclear how much of an incentive the ELDP designation will be for these corporations that are likely well-resourced to handle the CEQA process. Therefore, it remains to be seen if the desire to permit and build quickly will be enough of an incentive for data center operators to seek out the ELDP designation and meet the rigorous criteria established in the bill. Certainly, the emphasis on speed-to-power amongst the data center developers seems to indicate some willingness.

- 3) *Data center definitions.* The bill uses two different definitions for data centers. The lack of consistent definitions in this bill may cause confusion and inconsistencies with how the requirements of the bill are implemented. Therefore, for consistency across the statute, *the committee recommends creating a data center definition within the CEQA definitions section of the Public Resources Code that can apply uniformly to this bill and be situated with other CEQA-related definitions. Additionally, the committee recommends adding more detailed language to the definition of a data center regarding specific equipment characteristics.*
- 4) *Who is exempt?* Data centers come in many shapes and sizes and are vital to many aspects of daily life. For example, enterprise data centers are company owned and operated for proprietary digital operations (such as for banks, healthcare, governments, etc.). Other data center facilities, such as the previously mentioned hyperscalers, are large-scale operations that deliver rapid computing power and cloud-based storage to support AI and other data-intensive applications. To address the different types and applications of data centers, the bill makes exemptions for the types of facilities that this statute should not apply to, exempting entities such as publicly funded research facilities and national security facilities. However, these definitions may pose loopholes or unintentionally leave desired groups out. For example, the increased reliance of AI on matters of national security may allow hyperscale facilities to fall under the exemption of national security facilities, as currently written. In a recent example, the U.S. Department of Justice halted an air pollution lawsuit against a data center in Mississippi, citing that the data center was playing a crucial role in the ongoing Iran war.<sup>21</sup>

Individuals representing private universities in the state have also raised concerns that their status as a private institution may unintentionally prohibit them from the exemption detailed for publicly funded research facilities. Additionally, telecommunication, cable, and internet service providers have also raised concerns that the current language does not adequately exempt data centers associated with their services. Altogether, this highlights the challenges of appropriately including in statute exemptions for an industry as expansive and pervasive in daily life as data centers. The author may wish to revisit and refine this list of exempted facilities to ensure it is an accurate reflection of the desired groups.

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<sup>20</sup> Marsh, A. & Ford, B. Microsoft in Talks to Ax Energy Pledge Amid Data Center Boom, May 6, 2026, <https://news.bloomberglaw.com/esg/microsoft-in-talks-to-ax-energy-pledge-amid-data-center-boom-1>

<sup>21</sup> Daly, M., & Condon, B., In boost to Musk, Justice Department seeks to dismiss air pollution lawsuit against xAI data center. June 16, 2026, <https://apnews.com/article/musk-xai-data-center-memphis-pollution-naacp-0e981ca0508d7e4144662392d9d66ab2>

- 5) *Consistent standards.* The author of this bill has another data center-focused bill before the committee, requiring the California Public Utilities Commission (CPUC) to establish a tariff for data centers to pay for their interconnection, transmission, distribution, and generation services (SB 886, Padilla). One of the main provisions of this bill is a requirement for data centers to prefund a contract related to generation costs and be assigned the cost responsibility for all transmission facility upgrades triggered by the facility's interconnection. Therefore, *the committee recommends establishing parity between the two bills as it relates to prefunding the costs of interconnection and associated grid investments. Specifically, the committee recommends that for Section 21180 subdivision (5)(A)(i) the data center prefunds the cost of interconnection, as determined by the CPUC or publicly-owned utility (POU). Additionally, for subdivision (5)(A)(vi), the committee recommends adding details regarding an enforceable commitment and early termination fees.*
- 6) *Geothermal CEQA streamlining.* In 2023, SB 149 (Caballero, Chapter 60, Statutes of 2023) established that “energy infrastructure projects” would be eligible for expedited judicial and administrative review under CEQA, including geothermal projects.<sup>22</sup> Judicial streamlining requires that a CEQA lawsuit be heard in 270 days, including all appeals, as feasible, and also requires that the administrative record — the comprehensive document at the heart of a CEQA case — be prepared concurrently with the environmental review documents rather than sequentially, saving time if litigation follows. Projects certified as ELDPs also receive judicial CEQA streamlining. Additionally, AB 205 (Budget Committee, Chapter 61, Statutes of 2022) authorizes geothermal facilities (and other energy projects) to opt-in to a CEC process for expedited CEQA review. This includes a 270-day review and consolidated permitting with the CEC instead of local, state, and federal permits, as allowed. Therefore, the provisions of this bill that allow geothermal powerplants to qualify as ELDPs by meeting certain labor requirements is repetitive. Geothermal powerplants are already eligible for streamlined CEQA review under previously passed measures. The author may wish to consider removing this language.
- 7) *Zero-carbon.* As previously mentioned, it is unclear if there would be any appetite for data center facilities to meet the ELDP requirements of this bill. As pointed out in opposition to the bill, the requirements put forth for data centers to achieve this designation are above any other requirement of an industrial electricity customer, requiring the data center to use 100% zero-carbon resources within five years of operation and requiring 75% of those resources to be newly developed. And are pushing well-ahead of the state's clean energy goals, at least until 2045. Therefore, it may be challenging for data centers to achieve these requirements. Data centers would need specific generation requirements with the load serving entity to ensure the services provided would meet these requirements, likely achieved via a bespoke contract. Additionally, there is ambiguity in what resources qualify as a “zero-carbon” post-2030 in SB 100 statutes,<sup>23</sup> making planning for this uncertain. However, for an industry that is

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<sup>22</sup> SB 149 (Caballero, 2023) defines “energy infrastructure projects” as an “eligible renewable energy resource” as defined in Section 399.12 of the Public Utilities Code 399.12, which defines these resources as electrical generating facility that meets the definition of a “renewable electrical generation facility” in Section 25741 of the Public Resources Code, which includes geothermal.

<sup>23</sup> Public Utilities Code § 454.53

rapidly growing and already seeking expensive firm resources such as nuclear,<sup>24</sup> these requirements may be achievable for a facility willing to pay the associated costs.

It should also be noted that there are some inconsistencies and even potential loopholes in the language regarding fossil fuel emissions that the author may wish to revisit. One of the requirements for the ELDP designation is to not increase fossil fuel consumption within the state. But another requirement, as discussed above, is for these facilities to rely on 100% zero-carbon resources, within five years of initial operations. What resources the facility would rely on in those first five years remains unclear, but might still meet the bill's requirements if relying on out-of-state fossil fuel resources. It is also unclear if requiring data centers to rely on zero-carbon resources behind-the-meter to the *maximum extent feasible* unintentionally opens the possibility to use resources behind-the-meter that are not zero-carbon if the former requirement has been met. For example, a data center operating in a limited physical space could argue an inability to use solar due to space constraints and rely on diesel generators instead, therefore, using zero-carbon resources to the maximum extent feasible.

- 8) *Additional clarifying amends.* *The committee recommends editing the findings and declarations of the bill, specifically, removing statements subject to change.*
- 9) *Double Referred.* This bill was heard in the Assembly Committee on Natural Resources on June 22<sup>nd</sup>, 2026.
- 10) *Related Legislation.*

AB 1577 (Bauer-Kahan) requires data centers to report monthly 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. Status: Set for hearing in the Senate Energy, Utilities, and Communications Committee on June 24<sup>th</sup>.

AB 2383 (Zbur) requires the CPUC to establish a retail electricity classification for large energy use facilities, defined as facilities connected under a retail transmission tariff and broadly meet the definition of a data center. Additionally, electrical corporations must submit to the CPUC for approval a tariff that covers the provisions of transmission, distribution, and generation, as applicable for large energy use facilities. Load serving entities providing generation service must all meet the same tariff requirements. Status: Set for hearing in the Senate Energy, Utilities, and Communications Committee on June 30<sup>th</sup>.

AB 2469 (Papan) prohibits a local agency from approving construction of a new, or expansion of an existing, data center unless an applicant for a data center project provides the local agency with detailed information regarding the data center's water use and meets other requirements related to workforce and infrastructure for the data center.

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<sup>24</sup> US EIA, "Data center owners turn to nuclear as potential electricity source," Today in Energy, October 1, 2024; <https://www.eia.gov/todayinenergy/detail.php?id=63304>

Status: Set for hearing in the Senate Natural Resources and Water Committee on June 23<sup>rd</sup>.

AB 2619 (Papan) requires data center developers to provide information on water use to water suppliers and local governments prior to being issued a business license and upon renewal of a business license, and requires urban water suppliers to consider data center demand in water shortage planning. Status: Set for hearing in the Senate Natural Resources and Water Committee on June 23<sup>rd</sup>.

SB 886 (Padilla) requires the CPUC to establish an electrical corporation tariff that addresses costs associated with interconnection, transmission and distribution, and generation services for data center customers that interconnect at the transmission level and have peak electricity demands of at least 25 MW. Status: Set for hearing in this committee on June 24<sup>th</sup>.

SB 978 (Pérez) requires the CPUC to establish a special rate structure for data centers taking transmission level electrical service with an estimated peak demand of at least 75 megawatts, as specified. This bill requires a contractor who enters a contract to perform work on a data center facility to abide by specified public works requirements and use a skilled and trained workforce. Status: Held in the Senate Appropriations Committee.

SB 1168 (McNerney) requires the CPUC to assess opportunities for rate structures to address specified rate impacts associated with data centers, including paying a reasonable share of costs associated with transmission and distribution needs, paying for a proportionate share of load increases and procurement needs, and alleviating cost pressures on residential ratepayers. Status: Set for hearing in this committee on June 24<sup>th</sup>.

#### 11) *Prior Legislation.*

AB 222 (Bauer-Kahan, 2025) required the CEC to collect and analyze data center energy consumption trends and include those findings in the 2027 IEPR. This bill also required the CPUC to determine if data center loads resulted in cost shifts to other customers and to submit an assessment to the Legislature. Status: Held in the Senate Appropriations Committee.

AB 93 (Papan, 2025) required a data center operator to provide its estimated or actual water use to its water supplier as a condition of obtaining or renewing a business license issued by a city or county. Status: Vetoed

SB 57 (Padilla) authorizes the CPUC to assess the extent to which utility costs associated with new loads from data centers result in cost shifts to other utility customers and generate a report to the Legislature by January 1, 2027. This assessment may include costs associated with growing load demand, consideration of stranded asset costs, and mechanisms to prevent or mitigate cost shifts to ratepayers. Status: Chapter 647, Statutes of 2025.

SB 149 (Caballero) makes a broad swath of energy, transportation, water, and semiconductor projects eligible for expedited judicial review under CEQA. Projects must

meet certain environmental and labor criteria to be eligible for certification. The streamlining certification ends January 1, 2033. Status: Chapter 60, Statutes of 2023

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

350 Humboldt  
350 Sacramento  
Audobon California  
California State Association of Electrical Workers  
Climate Action California  
Climate Reality Project San Fernando Valley Chapter  
Climate Reality Project, Los Angeles Chapter  
Imperial; City of  
Net-zero California

**Oppose**

Associated General Contractors, California Chapters  
Bay Area Council  
California Chamber of Commerce

**Oppose Unless Amended**

CalAsian Chamber of Commerce  
California African American Chamber of Commerce  
California Hispanic Chambers of Commerce (CHCC)  
California Manufacturers & Technology Association (CMTA)  
Data Center Coalition  
Silicon Valley Leadership Group (SVLG)  
Techca  
Technet

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