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**AB-222 Data centers: power usage effectiveness: cost shifts.** (2025-2026)

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AMENDED IN SENATE JULY 07, 2025

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AMENDED IN ASSEMBLY MAY 05, 2025

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

**ASSEMBLY BILL**

**NO. 222**

Introduced by Assembly Member Bauer-Kahan

January 08, 2025

An act to ~~amend Section 25402 of, and to add Chapter 4.4 (commencing with Section 25345) to Division 15 of, the Public Resources Code, and to add Section 451.4 to the Public Utilities Code, add Section 25302.9 to the Public Resources Code, and to add and repeal Section 913.18 of the Public Utilities Code,~~ relating to energy.

**LEGISLATIVE COUNSEL'S DIGEST**

AB 222, as amended, Bauer-Kahan. Data centers: ~~energy usage reporting and efficiency standards; electricity rates;~~ *power usage effectiveness; cost shifts.*

~~Existing law, on or before January 1, 2026, and before each time thereafter that a generative artificial intelligence system or service, as defined, or a substantial modification to a generative artificial intelligence system or service, released on or after January 1, 2022, is made available to Californians for use, regardless of whether the terms of that use include compensation, requires a developer of the system or service to post on the developer's internet website documentation regarding the data used to train the generative artificial intelligence system or service.~~

~~This bill would require a developer, before using a covered model commercially or before making a covered model available for use by a third party, to estimate the total energy used to develop the covered model and the percentage of the total energy used to develop the covered model that was generated in California. The bill would also require a developer, on or before February 1, 2027, and annually thereafter, to estimate the total energy used by the developer to operate the covered model during the previous calendar year and the percentage of the estimated total energy that was generated in California. The bill would require the developer to publish on its internet website that energy usage data, as provided:~~

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to biennially adopt an integrated energy policy report, as specified, and to make the reports accessible to state, local, and federal entities and to the general public.

~~This bill would require the Energy Commission to include energy consumption trends for data centers in its integrated energy policy reports.~~

*This bill would require the Energy Commission 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 Energy Commission on a biannual basis, and require the owner of a data center to submit this information for the data center in the manner and timeframe specified by the Energy Commission. The bill would require the Energy Commission, as part of the 2027 edition of the integrated energy policy report, to include an assessment of electrical load trends for data centers, as provided.*

Existing law vests the Public Utilities Commission (PUC) with regulatory authority over public utilities, including electrical corporations. Existing law authorizes the PUC to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable.

~~This bill would require the PUC to determine whether those costs and expenses in an application by an electrical corporation to recover costs and expenses arising from, or incurred as a result of, the construction of a new data center or a substantial alteration to an existing data center are just and reasonable. The bill would require the PUC to minimize the shifting of costs attributable to the construction or alteration of the data center to ratepayers who do not directly benefit from the data center.~~

*This bill would require the PUC 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 provided, and require the PUC, on or before January 1, 2027, to submit the assessment to the relevant policy committees of the Legislature and to publicly post a copy of the assessment on the PUC's internet website.*

*Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.*

*This bill would make legislative findings to that effect.*

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** *Section 25302.9 is added to the Public Resources Code, to read:*

**25302.9.** *(a) For purposes of this section, both of the following definitions apply:*

*(1) "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.*

*(2) "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.*

*(b) (1) The commission shall 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.*

*(2) 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 commission.*

*(c) As part of the 2027 edition of the integrated energy policy report required pursuant to Section 25302, the commission shall include an assessment of electrical load trends for data centers. This assessment shall include all of the following:*

*(1) A projection of future load trends from data centers.*

*(2) Identification of potential net peak load demands.*

*(3) Recommendations for mitigating data center electricity consumption impacts on the electrical grid, including any recommended energy efficiency and demand response measures.*

*(d) The commission may report data center energy consumption in an aggregate basis, but shall not disclose 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.*

**SEC. 2.** *Section 913.18 is added to the Public Utilities Code, to read:*

**913.18.** *(a) The commission shall 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:*

*(1) An analysis of potential electrical corporation costs associated with procurement to meet growing load demands from data centers' increased energy consumption.*

*(2) 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.*

*(3) 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.*

*(b) On or before January 1, 2027, the commission shall 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 commission's internet website.*

*(c) Pursuant to Section 10231.5 of the Government Code, this section is repealed on January 1, 2031.*

**SEC. 3.** *The Legislature finds and declares that Section 1 of this act, which adds Section 25302.9 to the Public Resources Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:*

*In order to protect the confidential and proprietary information of an entity subject to Section 1 of this act, it is necessary that this act limit the public's right of access to that information.*