

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 6**

To: Board of Directors

From: Mark Fenstermaker, Pacific Policy Group

Subject: Legislative Update – Pacific Policy Group

Date: December 14, 2023

Staff, VCE's lobby services consultant at Pacific Policy Group, and the Community Advisory Committee's Legislative - Regulatory Task Group continue to meet and discuss legislative matters. Below is a summary:

The 2024 legislative calendar has been published and January 3, 2024, marks the Legislature's return to Sacramento. As 2024 is the second year of the two-year session, a number of two-year bills must pass their house of origin by January 31, 2024, in order for those legislative vehicles to remain active. The two-year bill process in January is dictating the Senate Pro Tem transition as Senator McGuire will take over as Pro Tem on February 5, 2024. Committee chair and rosters are anticipated to be revamped following this transition.

In addition to consideration of two-year bills, January will bring about Governor Newsom's proposal for the 2024-25 state budget. The Legislative Analyst's Office (LAO) has issued an analysis of the final tax filing deadline in November and the outlook is bleak. Revenues came in \$26 billion short of projection for 2022 filings and the LAO is forecasting a \$68 billion deficit that the Legislature and Governor will need to resolve in the 2024-25 budget process. Governor Newsom is required to issue a budget proposal by January 10, 2024, and the Legislature must respond with its own budget proposal by June 15, 2024. With such a large deficit to resolve, well beyond the \$30 billion plus in reserves, the budget process is sure to be full of controversy.

Adding to the complication of the budget process is that the Assembly will have a new budget chair in Assemblymember Jesse Gabriel (Encino). Just before Thanksgiving, Speaker Rivas announced committee chairs for the 2024 session with considerable turnover compared to last year. Of most importance to VCE is the naming of Assemblymember Cottie Petrie-Norris (Irvine) to be chair of Assembly Utilities & Energy (U&E). Ms. Petrie-Norris was not previously on U&E so her views on energy policy are not as readily available. Full committee rosters have yet to be released, but it was announced that former U&E chair Assemblymember Garcia is no longer on the committee. Lastly, Assemblymember Buffy Wicks (Berkeley) has been named chair of Assembly Appropriations, one of the most, if not the most, powerful committees in the Assembly.