

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 7**

To: Board of Directors

From: Mark Fenstermaker, Pacific Policy Group

Subject: Legislative Update – Pacific Policy Group

Date: October 13, 2022

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 of recent activities.

The page has officially turned on the 2021-22 legislative session as October 1 marked the conclusion of the 30-day period for Governor Newsom to sign and veto bills, the last step in the process. The highlight of the bill signing period was the Governor's signing ceremony enacting the various bills making up the climate package.

With the session now behind us, the attention turns to the upcoming election as the Legislature is set to experience significant turnover. Both the Assembly and the Senate will have nearly a quarter of its members be freshman. While both of VCE's legislative representatives remain, the changing of legislators will have an impact on CCAs and VCE. The most notable affect will be the new faces on the energy committees, particularly a new Chair of the Senate Energy, Utilities and Communications Committee (EUC) where the longstanding chair Ben Hueso has termed out. Three other members of Senate EUC are also terming out, meaning 1/3 of the committee will be new members to the committee in 2023. The Assembly Committee on Utilities & Energy will also see a minimum of four new members in 2023, including the replacement of Bill Quirk who has been one of the most outspoken anti-CCA members thus far. Mr. Quirk decided not to return to office despite not terming out until 2024.

In addition to the legislative races, the November ballot includes a multitude of ballot measures with Proposition 30 as the most relevant to CCAs. Proposition 30 proposes to increase taxes on personal income over \$2 million by 1.75% for individuals and married couples and allocates new tax revenues to proliferate zero-emission vehicles (ZEVs). The funding breaks down to 45% to incentives for ZEVs purchases and 35% for charging stations, with at least half of this funding directed to low-income households and communities. The remaining 20% of funds would be used for wildfire prevention and suppression. The Governor has come out strongly against Prop 30 (arguing that it was "devised to benefit one single corporation," Lyft) and finds himself aligned with the California Republican Party, the California Chamber of Commerce, and the

California Taxpayers Association and at odds with his allies supporting the measure including the Democratic Party, environmental groups, and labor groups including firefighters.

Lastly on the ballot are races for statewide office, including the Governor's seat. The fact that this race comes at the end of the update is a direct reflection of the potential for this race to be close. After defeating last year's recall in a landslide, Governor Newsom is facing off against current state senator Brian Dahle, a Republican whose district runs from Lake Tahoe north to the Oregon border. Early polling shows the Governor with a greater than 20-point advantage over Senator Dahle.

The Legislature will commence the 2023-24 legislative session on December 5, 2022 and VCE Staff, PPG, and the Legislative - Regulatory Task Group will be updating the VCE Legislative Platform and discussing potential bill and budget concepts over in the upcoming weeks.