

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

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To: Board of Directors

From: Mitch Sears, Interim General Manager

Subject: Legislative Update – Pacific Policy Group

Date: March 10, 2022

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

The eyes of the world have been fixed on the events unfolding in Ukraine and California’s elected officials are exploring opportunities to rebuke Russia’s recent actions. Governor Newsom and a bi-partisan delegation of legislators are advancing legislation to divest state public funds, such as pension funds under CalPERS and CalSTRS, from Russia and Russian-state entities.

Returning to more tried and true happenings of the Legislature, the deadline for legislators to introduce bills passed on February 18, 2022 and staff, working with VCE’s lobbyist Mark Fenstermaker of Pacific Policy Group and the Community Advisory Committee’s Legislative and Regulatory Task Group, are working through their process to review, analyze, and discuss potential positions to recommend to the Board as appropriate. Several high-impact bills have already been identified and are described in further detail in the staff report with recommendations.

In addition to policy bills, the Legislature is discussing and vetting the Governor’s proposed 2022-23 budget which came in at \$286.4 billion, a 9% increase from last year. This includes a \$21 billion discretionary surplus, plus billions more for schools, pension payments and reserve accounts. The governor’s budget includes significant funding to help the state meet its climate and clean energy goals. Proposed is \$9.1 billion in transportation funding, including \$1.5 billion for public schools, estimated to be enough to convert about one-third of the school bus fleet to electric, \$4.2 billion for high-speed rail and \$3.25 billion for other transit projects. \$500 million would be spent in ways that encourage active transportation i.e., walking and biking. There is \$1.2 billion for 40,000 passenger electric vehicles and 100,000 new charging stations in California by the end of 2023 and \$1 billion for other zero-emission vehicle initiatives. The governor has proposed \$2 billion to advance technology, reduce carbon emissions and shore up the grid. This includes \$380 million for long-duration storage.

Lastly, Interim General Manager Mr. Sears and Mr. Fenstermaker have met with staff of Asm. Aguiar-Curry as well as the Chief Consultant of Assembly Utilities & Energy Committee to provide briefings of the VCE AgFIT pilot program. Mr. Sears and Mr. Fenstermaker intend to provide similar briefings in the coming weeks to Senator Dodd's office as well as to the Senate Energy, Utilities, & Communications Committee.