

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: November 10, 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.

As this report is being written, all eyes are on the November 8 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 new freshman. While both of VCE's legislative representatives remain, the changing of legislators will have an impact on CCAs in general and VCE as well. The most notable affect will be the new faces on the Senate and Assembly 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 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 Governor has come out strongly against Prop 30 (arguing that it was "devised to benefit one single corporation," Lyft) and his opposition campaign appears to be working as recent polling shows the measure is doomed to fail. But, the post-election results will reveal the outcome.

The Legislature will commence the 2023-24 legislative session on December 5, 2022. VCE Staff, PPG, and the CAC Legislative - Regulatory Task Group are discussing potential bill and budget concepts over in the upcoming weeks, as well as gazing into our crystal ball to understand what issues may arise that impact CCAs and VCE. One concept that we are exploring is to work through the state budget process to create new funding to expand the AgFIT to other CCAs. Staff has been working with CalCCA and other interested CCAs to determine if this is an effort CalCCA would be willing to sponsor and begin devising a strategy for substantiating the request, coalition building, messaging, and other pieces needed for success.