

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 8

To: Board of Directors

From: Mitch Sears, Interim General Manager

Subject: Legislative Update – Pacific Policy Group

Date: January 27, 2022

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 2022 legislative calendar has been published and January 3, 2022 marks the Legislature’s return to Sacramento. As 2022 is the second year of the two-year session, a number of two-year bills must pass their house of origin by January 31, 2022 in order for those legislative vehicles to remain active. SB 612 (Portantino) is a two-year bill but has already passed out of its original house and its next deadline is July 1, 2022 when bills must pass a policy committee of the other house.

In addition to consideration of two-year bills, January will bring about Governor Newsom’s proposal for the 2022-23 state budget. The Legislature and Governor spent much of the 2021 session negotiating a record surplus and 2022 is likely to be similar. The Legislative Analyst’s Office recently published its fiscal outlook for the 2022-23 budget and is currently projecting a \$31 billion surplus (resources in excess of current law commitments) to allocate in 2022-23. The Governor’s proposed budget is due by January 10, 2022 and the Legislature must respond with its own budget proposal by June 15, 2022. With such a large amount of unspoken for funding to allocate it is likely the negotiations will go well into August.