

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: February 13, 2025

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

January 2025 began with expectations of a roughly balanced budget and the Legislature working through a special session called by Governor Newsom to prepare the Department of Justice for responding to the incoming Trump Administration. When Governor Newsom released his proposed fiscal year 2025-26 budget on January 10, things were looking so-so as a \$7.1 billion withdrawal from the state's rainy-day fund would close the deficit the state faces. From this point, everything shifted with the outbreak of the Palisades and Eaton fires.

The loss of life and property across L.A. County has captured the attention of the Legislature and Administration, the most immediate result is the passage of ABx1-4 (Gabriel) and SBx1-3 (Wiener). These two bills were passed in the afore-mentioned special session and authorize the Department of Finance to spend up to \$2.5 billion from the General Fund for response and recovery efforts in L.A. The intention is that this funding will be repaid by FEMA. SBx1-3 authorizes the DOF to increase this expenditure amount in coordination with the Legislature. The bill also states that after April 30, 2025, the Legislature will begin a process of negotiating, reviewing, and appropriating funds from the Climate Bond for wildfire and forest resilience activities.

All of this activity has slowed the typical first month of a legislative session, many informational hearings have been stalled, the introduction of bills has been less than usual, and Assembly committee rosters were not announced until the Martin Luther King Jr. holiday weekend. When Assembly Speaker Rivas released the updated committee rosters, he added two additional members to the Assembly Utilities & Energy (U&E) Committee, bringing the total to 18 members. Among the new members of Assembly U&E is Chris Rogers, former board chair of Sonoma Clean Power.

The next significant deadline looms large at the moment as legislators have until February 21 to introduce bills for consideration in 2025. Leadership in both houses reduced the number of bills

to 35 that each legislator may author over the two-year session. Most legislation introduced so far has been in “spot bill” or “intent bill” form where the bill is seeking to carve out a certain policy space but does not have substantive language or detail for VCE make an informed decision on how to engage at this time. Legislators will have to amend these types of bills early in March to get a referral to a policy committee and continue to advance through the process. It is anticipated that policy committees will begin hearing bills in early to mid-March with the most intense period of hearings occurring the latter half of April.