

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 8

To: Board of Directors

From: Mark Fenstermaker, Pacific Policy Group

Subject: Legislative Update – Pacific Policy Group

Date: December 12, 2024

Pacific Policy Group, VCE’s lobby services consultant, continues to work with Staff and the Community Advisory Committee’s Legislative - Regulatory Task Group (LRTG), which continues to meet and discuss legislative matters. Below is a summary of key recent events and a look at what the future might hold.

The 2025-26 legislative session is officially underway as the Legislature returned to Sacramento on December 2 to swear in newly elected legislators, begin introducing bills, elect leadership, and set the rules for how the process will be handled.

Both the Senate and Assembly are experiencing significant turnover as many long-standing legislators are no longer in office due to term limits, seeking other office, or simply needing a break from public office. The November 5, 2024, election results are final and 12 new Senators and 23 new Assemblymembers took the oath of office on December 2 and are now filling out their staff and shaping up their bill packages for 2025. As expected, Christopher Cabaldon won his race to represent Senate District 4 and replace Bill Dodd who was term limited. There were few surprises in the results as the Democrats maintained their supermajority in both houses.

Similarly unsurprising is that both Senate Pro Tem Mike McGuire and Assembly Speaker Robert Rivas were reelected to their leadership posts. The two leaders did surprise those working in Sacramento with an agreement to reduce the amount of bills that each legislator can introduce. Previously, each Senator was allotted 40 bills for the two-year session and each Assemblymember had up to 50. Now, the bill limit figure is down to 35.

Every new legislative session brings the prospect of new committee chairs and committee members, and our eyes are fixed on who will fill the open Senate Energy, Utilities, and Communications Committee as the former chair, Senator Steven Bradford, termed out. In addition, there are seven open seats on the Senate Energy, Utilities, and Communications Committee as well as seven open seats on the Assembly Utilities & Energy Committee.

Looking forward to the new year, the focus in January will be on the Governor’s proposed FY 2025-26 budget that is due to be released by January 10. A recent fiscal outlook produced by

the Legislative Analyst's Office (LAO) shows that the budget is roughly balanced with a relatively small deficit of about \$2 billion. This is a significant improvement from the start of last year's budget negotiations when the state was facing a seriously higher level of deficit. That said, concern remains about the budget as the LAO's report finds the state in a \$20 billion to \$30 billion deficit in FY 2026-27, 2027-28, and 2028-29.