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Lithium Valley Vision Informational on Jobs, Economic Opportunities, and Investment

Submitting document as supplemental document to the initial comments filed by Comite Civico del Valle (CCV) for the Lithium Valley Vision Informational Workshop focused on Jobs, Economic Opportunities, and Investment.

The document is CCV comments on Imperial County Board of Supervisors adopted Lithium Innovation and Competitiveness (LiNC) Program.

Additional submitted attachment is included below.



August 10, 2026

Imperial County Board of Supervisors
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Re: Comments on Proposed for Adoption - the Lithium Innovation and Competitiveness (LiNC) Program

Dear Imperial County Board of Supervisors:

On behalf of Comit  Civico del Valle (CCV), we respectfully request that the Board defer its vote on the proposed Lithium Innovation and Competitiveness Program ("LiNC Program") to a later meeting to provide adequate time for public review, community engagement, and development of amendments.

The LiNC Program proposes a potentially decades-long commitment of significant public revenues. It should not be adopted without a meaningful opportunity for affected communities, Tribes, workers, economic and workforce development organizations, and others to understand its consequences and shape its terms.

Please find below comments on the Draft LiNC Program. We hope our comments will help ensure that any relevant proposed projects and programs are built in a just and sustainable way.

Our comments focus on 12 areas, including:

1. Insufficient time for the community to review what will be a long-term revenue commitment.
2. The Program assumes early extraction will anchor downstream development without requiring evidence that the incentive will produce that result.
3. Unclear how LiNC fits within the County's overall economic plan.
4. Double-dipping company payouts at the public's expense.
5. Legislative discretion presents a double-edged sword for both businesses and fenceline communities.
6. Inadequate metrics for documenting significant expenditures achieve stated objectives.
7. No evidence that millions in dedicated funding will facilitate actions that would not happen otherwise.
8. Creates additional pressure to approve permits quickly.
9. Unclear project eligibility with no definition of "commercial scale" or "conversion project."
10. Reduces general revenues available for county services and other responsibilities.
11. Fixed incentive levels ignore lithium-market conditions and can create windfalls when project economics improve.

12. The SB 125 contingency, performance standards, and enforcement provisions should be more definite and automatic.

1. Insufficient time for the community to review what will be a long-term revenue commitment.

According to the Agenda Packet, the LiNC Program was developed at the direction of the Executive Office. Internally driven initiatives should be workshopped in public, and stakeholders should be given adequate time to read, review, and comment before the initiative is presented to the Board for approval. This concern is especially significant because the proposed LiNC Program is not a one-time appropriation. It would establish a policy framework under which project-specific agreements could commit County-controlled revenues for many years. A short Board agenda cycle does not provide a meaningful opportunity for local residents, municipalities, non-profit organizations, and Tribes to evaluate the long-term fiscal tradeoffs or propose alternatives. CCV therefore recommends a minimum 30-day public review period before the Program itself is adopted.

2. The Program assumes early extraction will anchor downstream development without requiring evidence that the incentive will produce that result.

A central premise of the LiNC Program is that early commercial lithium extraction will position Imperial County to "anchor" downstream processing, chemical conversion, manufacturing, recycling, suppliers, and related industries. That is a possible development pathway, but it is not an automatic consequence of extraction. Raw materials are routinely extracted in one jurisdiction and processed or manufactured elsewhere. The Program therefore risks assuming the outcome it seeks to prove: early extraction is treated as the cause of a downstream cluster and that anticipated cluster is then used to justify returning public revenues to the producer. If downstream development and high-quality local employment are the public-purpose rationale for the enhanced incentive, those outcomes should be made part of the eligibility test and project-specific agreement rather than left as an aspiration.

The County should distinguish between: (1) an extraction project that would proceed anyway; (2) a project that the incentive actually accelerates; and (3) a project that uses the incentive to induce additional downstream investment in Imperial County. The third category provides the strongest justification for an enhanced public subsidy. The Early Investment premium should therefore be conditioned on measurable additionality such as new downstream processing or manufacturing, a binding agreement with a qualifying downstream company locating in Imperial County, additional high-road permanent jobs, or shared infrastructure that materially lowers barriers for battery-supply-chain investment.

3. Unclear how LiNC fits within the County's overall economic plan. Is there a specific strategy or roadmap the County is using to establish a "competitive domestic lithium industry," or is this a one-off initiative aimed to offset development costs of lithium producers? In 2022, the County adopted the [Lithium Valley Investment Plan](#), which, among other actions, established a special subcommittee composed of two BOS members to facilitate its implementation. Since then, a variety of economic strategies focused on lithium and the energy transition have emerged, including the [Rand Report](#), the [California Economic Blueprint](#), and two federally recognized comprehensive economic strategies (CEDs): the [Imperial County CEDs](#) and the [Southern Border Coalition CEDs](#). Economic Development Element of the Imperial County General Plan. It is not clear whether the Special Investment Plan Subcommittee was involved in developing this proposal or whether it is still meeting. It would be beneficial to understand whether this proposed new multimillion-dollar program aligns with one of these strategies, integrates elements from multiple plans, or takes a different approach altogether.

For example, the [2025 RAND Report](#) proposes a 4-prong approach to Lithium Valley development: (1) Hire a Local Workforce to the Degree Possible; (2) Train Local Workers; (3) Seek Business Investments; and (4) Expand Community Investments. In the discussion of "Seek Business Investments," the report examines

Imperial County's current business incentive framework and recommends an approach that emphasizes greater industry diversification over deeper investments in existing industries. The report warns that concentrating the County's incentive framework around lithium extraction and geothermal power may increase exposure to commodity-price and technology shifts, and recommends broader industry-attraction targets and monitoring to diversify the regional economy.

"However, Imperial County's current incentive framework is designed around lithium extraction and geothermal power, which may leave the local economy vulnerable to commodity price swings or technology shifts. A diversified industry attraction strategy would broaden that focus by writing explicit targets for ag-tech, logistics, clean energy equipment,..., and advanced food processing into the county's economic development ordinance. Embedding such objectives in statute and program guidelines would ensure that parallel recruitment efforts cultivate multiple growth engines, buffering the region against downturns in any one industry and supporting more-varied career options for residents. Policymaking, implementation, and monitoring at the local, state, and federal levels can also be critical to supporting business investments." (2025-RAND Report, page 44)

It is important to assess how the proposed LiNC Program aligns with the County's broader economic plan to develop Lithium Valley. This proposal commits significant portions of future funding, which can be as high as 75% of the County's share of sales and use taxes for specific construction-related purchases, and 50% of a company's lithium extraction excise tax payments. Once approved, these incentives will be the dominant component of the County's economic development strategy for the next three years. These revenues can't be dedicated to other purposes, such as workforce training or regional infrastructure improvements, without dismantling the LiNC Program. Approval of the LiNC Program is the County's promise to current and future developers that the County will enter into a good-faith negotiation to return significant portions of the taxes paid on the development of their project. While the County has the discretion not to approve an incentive, the real-world impact is that this portion of revenue will be sidelined from other uses.

Before adopting LiNC, the County should identify the opportunity cost of the Program by comparing the proposed incentive with alternative uses of the same revenues to address significant gaps in Imperial Valley, including workforce development, regional infrastructure, public health, environmental monitoring, and additional investment needs for directly affected communities. That comparison would help the Board determine whether subsidizing extraction is actually the highest-return strategy for achieving the County's stated economic-development goals.

4. Double-dipping company payouts at the public's expense. While developers are slow to acknowledge the level of funding, tax breaks, and subsidies available, significant public investments are already being made in geothermal and lithium industries. For example, the federal government is offering the Advanced Manufacturing Production Credit equal to 10% of their total production costs. Recent IRS rules now allow producers to include direct extraction costs and indirect overhead expenses, such as equipment depreciation, payroll, and employee benefits, in the 10% credit calculation. Also, these tax credits are transferable, meaning the producer can sell them for cash. For lithium extraction producers that also generate geothermal energy, the Advanced Manufacturing Production Credit can be stacked with the federal Clean Electricity Production Credit. Some economic modeling suggests that stacking federal tax credits could allow a single standard facility to receive tens of millions of dollars in annual federal public underwriting.

These production incentives exist alongside a much broader array of federal, state, and local public financing, including loans,¹ direct grant allocations,² state tax exclusions,³ tax credits,⁴ property tax subsidies, and other development incentives available to Lithium Valley producers.⁵ Although individual programs may contain restrictions on combining particular benefits, the cumulative public support available to these projects is substantial. Further reducing the costs of geothermal and lithium extraction development are actions being taken by state and federal governments to subsidize, streamline, and externalize costs that private businesses would normally bear. These include underwriting massive system-level costs to build high-voltage transmission lines, federal research funding to help commercialize new technologies, and potential CEQA exemption for advanced manufacturing.

Before approving an additional County subsidy, the Economic Benefits Analysis should disclose all federal, state, local, and ratepayer-supported assistance previously awarded, conditionally committed, claimed, or reasonably anticipated by the applicant, and demonstrate what incremental investment the LiNC incentive would purchase beyond the investment already induced or de-risked by those programs. Companies should also have ongoing reporting responsibilities for publicly supported resources.

5. Legislative discretion presents a double-edged sword for both businesses and fenceline communities. The proposed LiNC Program grants the BOS significant discretion in awarding incentives. Each applicant is required to submit an Economic Benefits Analysis for their project, which will be reviewed and will contribute to the negotiation of a project-specific agreement. However, the Program guidelines provide no structured framework or objective criteria for the content of the Economic Benefits Analysis report, nor do they govern these negotiations. Instead, the adopting resolution explicitly gives the BOS the authority to "approve, approve with conditions, modify, reduce, defer, or deny any application in its sole legislative discretion." Relying solely on legislative discretion, rather than a standardized framework, creates regulatory uncertainty for prospective developers, undermining the program's intended purpose. It also risks inconsistent application of the program, potentially allowing the approval of project-specific agreements that deliver minimal community benefits.

For fenceline communities that have continuously faced the negative impacts of externalized costs, this level of legislative discretion raises concerns. Such an approach does not foster trust, especially when the

¹ In January 2025, the U.S. Department of Energy (DOE) Loan Programs Office announced a conditional commitment for a direct loan of up to \$1.36 billion to ESM ATLiS LLC (approximately \$1.22 billion in principal plus \$141 million in capitalized interest) to finance construction, equipping, and operation of Project ATLiS. The commitment is conditional rather than a closed or funded loan. DOE states that technical, legal, environmental, and financial conditions must be satisfied before definitive financing documents are executed and funds are disbursed.

² Direct state and federal grants have already supported all three major Lithium Valley developers and their technologies. The California Energy Commission awarded EnergySource Minerals \$2.5 million for its "Well-to-Wheels: Lithium Design" project, which supported engineering and design, pilot confirmation, product certification, and construction costing for a commercial lithium hydroxide facility. EnergySource stated in its final report that the CEC grant allowed it to devote more resources to engineering earlier in the development cycle, reducing investment risk and accelerating the project toward commercial execution. The CEC has also provided approximately \$6 million for Berkshire Hathaway Energy (BHE) Renewables' lithium extraction demonstration project and approximately \$1.46 million to Controlled Thermal Resources (CTR) for geothermal/lithium innovation work. The US DOE additionally selected BHE Renewables for approximately \$15 million in federal funding for lithium work, although that award was subsequently returned following material changes to the project.

³ The California Alternative Energy and Advanced Transportation Financing Authority Tax exclusion awards include: \$57.8 million to BHE, \$15 million to Hell's Kitchen LithiumCo 1 LLC (CTR), \$15 million to Energy Source Minerals, \$14.1 million to CE Obsidian Energy, LLC, \$3.8 million to Symbol. These and other Lithium Valley producers can annually apply to this permanent program under a priority "Emerging Strategic Industry" status, including for sales and use taxes on lithium compounds, geothermal steam, batteries for electric vehicles, home and commercial energy storage, and grid-scale energy storage.

⁴ The U.S. DOE identifies ESM ATLiS LLC and EnergySource Minerals as having self-disclosed a \$260,742,592 allocation under the federal §48C Qualifying Advanced Energy Project Credit program for Project ATLiS in Calipatria. The credit provides up to 30 percent of qualified investment for qualifying projects satisfying applicable labor requirements. An allocation precedes final certification and claiming of the credit. Moreover, California Competes Tax credit awards include \$30 million to CTR and \$3.5 million to Energy Source. This is a permanent tax credit and developers can apply quarterly.

⁵ Imperial County approved a \$30.63 million incentive for ESM ATLiS, a project operated by EnergySource Minerals under the California Capital Investment Incentive Program.

proposal granting this broad authority is being rushed through without a community workshop or an adequate public comment period. Should this Program be approved, the LiNC Program, at minimum, requires more structure, and approval of the project-specific agreement requires additional public review periods. A specific set of proposed community benefits is listed in the “Requested LiNC Program Modifications” section of our letter.

The Resolution should establish minimum substantive criteria that constrain this discretion, including but not limited to:

- a documented additionality finding;
- minimum high-road employment standards;
- public disclosure of the total subsidy package;
- accounting for infrastructure and service costs;
- downstream or supply-chain commitments;
- environmental performance and reporting;
- and remedies if promised benefits are not delivered.

These criteria would improve predictability for developers while protecting communities from project-by-project agreements that are difficult to compare or enforce.

6. Inadequate metrics for documenting significant expenditures achieve stated objectives. If the objective of the program is to “strategically reinvest a limited portion of project-generated revenues to accelerate private investment during a critical market window, establish a competitive domestic lithium industry, and deliver long-term economic and fiscal benefits that substantially exceed the value of the incentives provided,” how will this objective be measured? This objective goes far beyond the basic tracking in Government Code Section 53083, which only requires reporting on net tax revenue accruing and net job creation resulting from the economic development subsidy.

Metrics and annual reporting should be added to accommodate the LiNC's broader and specific goals and purposes. To ensure the integration of reporting data, the overall program should have core metrics that are augmented, as appropriate, to accommodate individually negotiated project-specific agreements. Having a core set of metrics and baseline requirements will also provide comparability and analysis of each applicant's Economic Benefits Analysis.

At minimum, the Program should separately report the following:

- temporary construction jobs and permanent operations jobs;
- apprenticeships and other on-the-job training hours;
- the number and percentage of Imperial County residents hired;
- wages, benefits, occupations, retention, apprenticeships, and career advancement;
- local procurement;
- total incentive paid and accrued;
- incremental capital investment attributable to LiNC;
- downstream facilities recruited or constructed;
- incremental downstream investment;
- County tax revenues;
- and County infrastructure and public-service costs attributable to the project.

Because geothermal-brine DLE also has material public-service implications, the Economic Benefits Analysis should include expected water consumption, wastewater and solid-waste burdens, hazardous-material handling and disposal, truck traffic, emergency response and fire protection, and environmental monitoring. A claimed economic benefit should be evaluated net of the public costs necessary to support or regulate the project.

7. No evidence that millions in dedicated funding will facilitate actions that would not happen otherwise. What is the basis for the County determining that, without these incentives, the projects would not proceed? In other words, if the pilots and other demonstration activities have already shown commercial-scale development is possible, potentially as soon as this year, what evidence supports the need for this level of additional producer funding for the project to proceed here in Imperial County?

After several years of planning, testing, financing, and permitting, how is this level of incentives the inflection point? In a revenue and resource-constrained economy like that of Imperial County, the public has the right to know, and a better understanding of the County's process would help to foster trust.

Every applicant seeking an enhanced incentive should provide an incentive-free baseline showing its expected final investment decision (FID), commercial operation date, production capacity, capital investment, facilities, employment, local procurement, and downstream activity absent LiNC. The applicant should then identify the specific changes caused by the incentive.

Preexisting commitments should not count as additionality. Existing extraction or conversion capacity, previously announced employment, permits, mitigation obligations, executed offtakes, and facilities already included in the project's development plan should remain part of the baseline. The County should award an enhanced incentive only for activity that is new, expanded, accelerated, or relocated to Imperial County because of LiNC.

8. Creates additional pressure to approve permits quickly. Further, the LiNC sets an aggressive timeline for permitting and entering the construction phase, thereby "putting a thumb on the scale" of public review of permit approvals, and disadvantaging community members from negotiating a community benefits agreement (CBA) to address the unmitigated impacts and development pressures of the extraction activities. For the company to receive the Construction Sales and Use Tax Reimbursement, they must obtain approval of the County of Imperial grading permit by December 31, 2026, and full construction plan approvals by March 31, 2027.

The Resolution should expressly state that no LiNC eligibility deadline may be considered in deciding whether to accelerate, approve, condition, or otherwise act on any land-use, grading, building, environmental, water, air, or other regulatory permit. Incentive deadlines must remain subordinate to legally required environmental review, Tribal consultation, and public participation.

If the County retains authority to extend LiNC deadlines for circumstances beyond an applicant's reasonable control, that mechanism should be used to prevent an incentive schedule from creating pressure to truncate public review. The Program should never make a developer financially better off because an agency completes environmental review faster than the record warrants.

9. Unclear project eligibility with no definition of "commercial scale" or "conversion project." Program participant eligibility is dependent on the lithium project being of a commercial scale. However, no definition or criterion is listed for what constitutes a commercial-scale lithium facility. Given the known challenges

producers have faced in developing a DLE process that meets commercial-scale production requirements, this could be a key threshold for applicants.

There is similarly an eligible applicant category, "conversion project that supports the development of Lithium Valley's domestic critical minerals supply chain," that has no definition. The definition should be provided, and it should not include data centers co-located with geothermal energy generation and lithium extraction facilities.

Moreover, the Program also needs a clear definition of "project" for purposes of the annual and lifetime incentive caps. Several proposed Lithium Valley developments are conceived in multiple stages. Without an anti-piecemealing rule, a developer could potentially characterize successive stages, affiliated entities, or integrated facilities as separate projects and seek multiple caps. Related phases, subsidiaries, expansions, and facilities should be aggregated when they share a common development plan, geothermal resource, infrastructure, ownership or control, or integrated operating system. The County should also state whether the Early and Standard incentives apply once to an integrated development or separately to each stage.

10. Reduces general revenues for county services and other responsibilities. The current structure of the Lithium Innovation and Competitiveness ("LiNC") Program compromises long-term fiscal stability by diverting crucial revenue streams away from general county services. More specifically, the implementation of the LiNC Program proactively dedicates future tax revenues of Imperial County:

- A significant portion of the local 1% share of eligible sales and use tax generated by a project's taxable construction purchases. (*Construction Sales and Use Tax Reimbursement - 50%-75% rebate*)
- A significant portion of the County share of Lithium Extraction Excise Tax based on eligible capital investment costs. (*SB 125 Capital Investment Reimbursement - 25%-50% rebate*)

While these incentives are intended to accelerate capital investment in Lithium Valley, they effectively pre-allocate public funds that would otherwise cover general government expenses, regional healthcare demands, and localized community services.

The Board Agenda Packet frames the LiNC Program as a mechanism for taxpayer protection. However, the Program really only safeguards the County from cash-flow liability by ensuring it does not pay out funds before tax revenues are actively realized. The Program fails to protect the community against the immediate operational burdens of rapid economic growth. Diverting up to \$110 million per project in localized tax revenue heavily restricts the County's financial flexibility precisely when it must mitigate the public impacts of industrial development.

Further exacerbating these broad-based fiscal impacts are the structure of the Construction-Period Sales and Use Tax Incentive and the County's legislative discretion to enter into project-specific agreements. Although the guidelines outline clear annual payout caps, the program allows the payment term to be shortened through individual project-specific agreements. Standard economic development practices use multi-year payment terms to ensure the County can successfully recoup incentive disbursements through subsequent economic activity generated by the project. Accelerating this reimbursement timeline could lead to an unplanned, front-loaded reduction in County General Fund revenues. Such an abrupt budgetary constraint would directly threaten the County's ability to maintain funding levels for unrelated public services and core statutory responsibilities.

According to the Lithium Excise Tax Funding Plan, after making the necessary statutory distributions and a 10% deposit into the Community Benefits Program, the County will allocate 15% of the remaining money to each of the following County Departments: Public Safety Services, Land Use and Environment Services,

Health and Human Services, and Finance and General Government Services. This represents the primary area of fiscal impact. Specific protections should be put in place to safeguard key services that primarily serve lower-income individuals and families, especially those in census tracts designated by CalEnviroScreen 5.0 as disadvantaged communities.

This proposal also raises a basic question of consistency. In the County's Lithium Excise Tax Funding Plan, CCV and many other community members questioned why the County retained such a large share of lithium-tax revenues instead of directing more to directly affected communities and community benefits. If the County's large allocation was justified because it was needed for public safety, health, land-use and environmental services, infrastructure, and general government, the County should now explain why up to half of the County-controlled project-generated excise-tax share can be returned to the companies instead.

The timing is particularly important because Lithium Valley planning identifies major needs involving water supply, wastewater, solid waste, stormwater and drainage, roads, transmission, telecommunications, rail, fire protection, and other services. The County should establish an Infrastructure and Community Resilience Reserve before calculating developer reimbursements so that the incentive does not compete with the public investments needed to accommodate development.

LiNC should also prohibit reimbursement of costs that a developer is otherwise legally or contractually required to bear, including CEQA mitigation, permit conditions, hazardous-material and waste-management obligations, required road or utility improvements, required environmental monitoring, remediation, and other compliance costs. Public benefits should be additional to mitigation rather than a subsidy for meeting existing obligations.

The County should also clarify whether references to "special districts" in the tax-allocation framework include any future Infrastructure Special District contemplated in the Lithium Valley Specific Plan, and whether LiNC reimbursements could reduce revenues otherwise available to finance that district or related infrastructure.

11. Fixed incentive levels ignore lithium-market conditions and can create windfalls when project economics improve.

The LiNC Program uses fixed reimbursement percentages even though lithium-project economics are highly sensitive to commodity or specialty chemical prices. A project that may be marginal in a depressed lithium market can become substantially more profitable as prices recover. If the Program is justified as a temporary intervention during a "critical market window," the incentive should respond when that market changes.

The County can preserve predictability without locking in an overly generous subsidy. A predetermined formula could use an independent lithium benchmark and trailing average so that the enhanced reimbursement decreases when lithium prices are high and increases when prices are low enough to materially threaten project financeability. This would make the Program countercyclical rather than providing the largest windfall precisely when industry economics are strongest.

12. The SB 125 contingency, performance standards, and enforcement provisions should be more definite and automatic.

The proposed Resolution recognizes that future changes to SB 125 or the Lithium Extraction Tax Law could affect the Program, but leaves reconsideration largely to Board discretion. If the statutory framework governing imposition, collection, allocation, distribution, permissible use, or County receipt of lithium-tax revenues is materially amended, new LiNC approvals and reimbursements should automatically be

suspended until the County conducts public review and makes a new finding that the Program remains lawful and fiscally appropriate.

Finally, project-specific agreements should include measurable milestones, annual public reporting, independent verification where appropriate, and automatic consequences for nonperformance. If a project fails to deliver the additional downstream investment, high-road employment, or other incremental benefits used to justify an enhanced incentive, the enhanced reimbursement should be reduced or terminated rather than left entirely to future discretionary enforcement.

Requested LiNC Program modifications.

Below is a list of requested changes to the proposed LiNC Program.

1. Public Comment Period. Open a 30-day public comment period to provide members of the community, regional and state economic and workforce development partners, and other stakeholders to review and provide input on the proposed LiNC Program.

2. Increase Community Benefits Fund allocation. Increase the Community Benefits Fund allocation from the Excise Tax from 10% to 30%, and direct the additional 20% to projects that primarily benefit directly affected communities and California Native American Tribes whose ancestral and/or current lands overlap with the boundaries of Imperial County. To expedite project proposal review for these funds, establish a community advisory committee of residents and other stakeholders who serve these directly affected communities and tribes.

The Program should make clear that statutory lists of directly or indirectly affected communities do not limit government-to-government engagement with sovereign Tribal Nations whose ancestral lands, Tribal cultural resources, or present interests and wishes may be affected by Lithium Valley development.

3. Sunshine requirement on project-specific agreements. Commit to at least a 60-day public review period for each of the individual project-specific agreements before being voted upon by the BOS. Government Code Section 53083 requires only notice to be given about the hearing, but is silent as to how long.

4. Require Additionality and Public Subsidy Disclosure. Require each applicant's Economic Benefits Analysis to identify an incentive-free development baseline and demonstrate what additional investment, acceleration, employment, downstream development, or other public benefit LiNC is expected to cause. Existing commitments should not count as LiNC benefits unless the applicant demonstrates that the Program materially expands or accelerates them. Applicants should also disclose material federal, state, local, and ratepayer-supported grants, loans, tax credits, tax exclusions, infrastructure subsidies, and other public assistance received or anticipated for the project.

5. Make Both Standard and Early Incentives Performance-Based Acceleration and Cluster-Development Incentives. Require both Standard and Early Incentive applicants to demonstrate measurable benefits beyond their incentive-free development baseline, such as accelerated investment or commercial operation, additional downstream processing or manufacturing in Imperial County, qualifying third-party investment, additional permanent high-road jobs, shared supply-chain infrastructure, or comparable incremental public benefits. The Standard Incentive should require a meaningful minimum level of additionality, while the larger Early Incentive should require a correspondingly greater level of acceleration,

cluster development, or other additional public benefit. Existing project commitments should not qualify unless LiNC materially expands or accelerates them.

6. Establish Standardized Metrics and Performance Reporting. Require a common Economic Benefits Analysis and annual reporting framework covering incremental capital investment, construction and permanent jobs, wages and benefits, local hire, workforce training, local procurement, downstream investment, County revenues, and material infrastructure and service costs. Project-specific agreements should include measurable milestones and remedies when promised benefits are not achieved.

7. Adjust Incentives to Lithium-Market Conditions. Establish a transparent market-adjustment formula using an independent lithium-price benchmark so that both Standard and Early reimbursement levels respond to sustained changes in lithium-market conditions. The Standard Incentive should operate within a relatively narrow adjustment range to preserve predictability for project financing, while the additional Early Incentive premium should be more responsive to commodity or specialty chemical prices and decline more substantially during strong markets. Both incentives may increase, up to their applicable Program maximums, when lower prices materially impair project economics. The benchmark, averaging period, adjustment schedule, and minimum and maximum reimbursement levels should be established in advance and applied consistently to all applicants.

8. Protect Program Caps and County Revenues. Define related phases, stages, subsidiaries, affiliates, and integrated facilities as a single project where appropriate so that annual and lifetime caps cannot be multiplied through piecemealing. The County should also reserve sufficient revenue for public services and infrastructure before calculating discretionary reimbursements, and prohibit reimbursement of mitigation, permit compliance, environmental monitoring, waste management, remediation, infrastructure, or other costs the developer is already required to bear.

9. Correct and Update the LiNC Program Booklet. Before adoption, correct factual, definitional, drafting, and presentation errors in the LiNC Program booklet and update information relied upon to support the Program. At minimum, the County should:

- **Correct the “Lithium Valley” definition (Program Booklet, p. 5).** The booklet should not imply that the term originated with the 2023 Lawrence Berkeley National Laboratory study. “Lithium Valley” was in use before that report as part of the CEC’s Blue Ribbon Commission. The definition also contains an incomplete final sentence that should be corrected.
- **Correct inconsistent treatment of Tribal Nations (Program Booklet, pp. 5, 22).** The definitions of Directly Affected and Indirectly Affected Communities do not identify Tribal Nations, while other portions of the County’s materials treat the Quechan Tribe and Torres Martinez Desert Cahuilla Indians as affected communities. The booklet should use consistent terminology while making clear that these statutory/community classifications do not substitute for government-to-government engagement with sovereign Tribal Nations.
- **Show both incentive tiers consistently in reimbursement examples (Program Booklet, p. 13).** Tables and examples illustrating reimbursement calculations should identify both the Early and Standard incentive rates, rather than illustrating only the more generous Early rate where doing so could give an incomplete picture of the Program. For example, the SB 125 illustration presently depicts the Early reimbursement of 50 percent without displaying the Standard 25-percent alternative under Step 4 of the figure.
- **Update and document the global lithium-project comparison (Program Booklet, p. 16).** Identify the methodology, sources, and date used to determine which projects are included and their development status, and correct material omissions or outdated classifications before relying on the

comparison to support the asserted need for rapid incentives. The table should address significant omitted projects and operating analogues, including relevant projects in Argentina (e.g. Salar del Hombre Muerto, operating since the 1990s) and Chile (e.g. Salar de Maricunga, in development), and verify the current development status of projects, such as Jadar in Serbia, which was halted. The booklet itself characterizes the table as illustrative and acknowledges that project status and anticipated production dates are subject to change, but closer attention is needed, especially to projects like Rio Tinto's Project Fénix at the Salar del Hombre Muerto, which is one of the only other places in the world where DLE has been deployed at scale for decades, together with brine evaporation.

These corrections and updates should be made before the booklet is relied upon as the factual and analytical basis for a long-term economic development subsidy program.

10. Revise BOS Resolution.

A. Community Benefits Fund impact protection. Amend the BOS Resolution to specifically state that the authorized payments to companies under the SB 125 Capital Investment Reimbursement.

- “WHEREAS, the County has adopted a Lithium Excise Tax Funding Plan that further allocates the County's share of lithium extraction excise-tax revenues among affected communities, **Community Benefits Fund and other** community-benefit programs, and County purposes;” (First Page of the Resolution)
- “C. Remaining after the allocation of not less than thirty percent (30%) of the amount distributed to Imperial County for communities directly and indirectly affected by lithium extraction, **and the 30% allocation made by Imperial County to the Community Benefits Fund;**” (Item 8a of the Resolution)

B. Accountability to the Community. Amend the BOS Resolution to include a framework from which the project-specific agreements would be negotiated (*list presented in the table below*), and commit the BOS to use this framework, the program booklet, and other written materials presented at the meeting.

- “The Board of Supervisors may approve, approve with conditions, modify, reduce, defer, or deny any application in its sole legislative discretion **consistent with the purposes, requirements, and goals expressed in this resolution.** (Item 4 of the Resolution)

Minimum Community Benefit Framework		
Category of Benefits		Minimum Requirements
1. Stronger Communities		
1.1	Buy Local Procurement Plan	Implement a <i>Local Procurement Plan</i> that includes goals, an annually updated list of goods and services, and activities to achieve the goals.
1.2	Community Recreation	Support local <i>community recreational amenities</i> in underserved areas, such as sport facilities with lighting, shade, water fountains, bathrooms, and Wi-Fi.
1.3	Decommissioning Plan	Require an operation and facility <i>decommissioning plan.</i>

1.4	Regional Infrastructure	- Given the growth-inducing impact of lithium extraction in rural areas, require urban-level services and require infrastructure at a scale that will support future development. - Require sidewalks and gutters along the property perimeter abutting public roads and highways. - Include transit-supporting features in the facility design and construction.
1.5	Community Engagement	Hold at least two community meetings a year to share information about the company, local facilities, job opportunities, and a status report on commitments made.
2. Support Local Workforce		
2.1	Hire Local Strategy	Implement a "Hire Local Strategy" with specific goals and actions.
2.2	On-the-Job Training	Require the company to establish, fund, and implement on-the-job workforce training programs that align with career ladders for advancement.
2.3	Cooperation and Engagement	Cooperate on local workforce training alignment and planning.
2.4	On-site Child Care Facilities	Require on-site childcare facilities to be developed.
2.5	EV Charging	Install EV charging infrastructure meeting Tier 2 standards .
2.6	Employee Shuttles	Provide employer-provided all-electric employee shuttles from transit hubs once there are more than 25 on-site employees.
3. Respect Tribal Sovereignty		
3.1	Ongoing Tribal Engagement	Recommit to ongoing engagement with Tribes to hear their priorities and interests relative to the company and facility. With a company operating in Imperial County, there should be no specific "timeline" or "deadline" for hearing from Tribes.
4. Protect Public Health and Safety		
4.1	Construction Noise Near Schools	Require construction noise , measured at the school property line, to be below 60 dB during school hours.
4.2	Industrial Fire Protection	Require installation of infrared fire-detection cameras and automated perimeter-suppression systems for projects within 2 miles of residences and businesses.
4.3	Emergency Pre-Incident Plans	Require submission of Emergency Response, Hazard Mitigation, and Pre-Incident plans to the County.
4.4	EV Level 3 Charging and Fleets	- Install and maintain high-capacity (Level 3) DC fast-charging stations for heavy-duty industrial equipment and transport vehicles at industrial sites. - Require vehicle fleets to be transitioned and maintained as zero-emission, including on-site, drayage, and industrial transport fleets.

4.5	Electric	• Use all electric power and procure 100% renewable energy for industrial operations. • Commit to not installing new fossil gas distribution pipelines for nonindustrial building end uses.
4.6	Mitigation for Poor Air Quality During Construction	• Upgrade buildings serving sensitive groups in directly impacted communities, such as preschool and K-12 school facilities. This will also mitigate worsening air quality from increased truck traffic during operations. • Require all grading activities to be subject to a project-specific Dust Control Plan approved by the regional air district.
4.7	Air Quality	• Require an independent expert to conduct an air quality baseline study of sources of toxic air contaminants and criteria air pollutants. • Require that all diesel equipment used for construction or operation be outfitted with the best available emission-control devices. • Require monitoring and reporting of GHG emissions. • Require non-fossil-fuel/diesel-powered backup/emergency generators. • Require LED outdoor lighting, double-pane windows, cool pavement, and lower-GWP refrigerants.
4.8	Water Quality and Supply	• Require a Water Quality Baseline Report and implementation of an ongoing monitoring program. • Require exceedances to be reported within 24 hours and progress on the correction plan to be reported. • Require water-free cooling technologies or systems, excluding geothermal generation. • Require the installation of at least three monitoring wells around the industrial brine ponds, and report monthly water-quality sampling results for lead, arsenic, and hazardous materials. • Require Mechanical Integrity Testing of injection wells and implement remediation as necessary. • Require IID documentation of a non-speculative water contract for its duration or at least 2065.
4.9	Geology, Soils, and Hazardous Materials	• Require the implementation of a Circular Solid Waste Plan to maximize diversion from landfills. • Require hazardous materials site surveys over the life of the lithium extraction operations. • Require implementation of a Chemical Lifecycle Management Plan.

C. Additionality and Incentive-Free Development Baseline. Amend Items 4 and 9. In Item 4, Approval Requirements, add:

- **“g. For any Standard or Early Investment Incentive, the Board shall find, based on substantial evidence, that the incentive is reasonably expected to cause or materially accelerate economic activity beyond the applicant’s Incentive-Free Development Baseline and that the additional public benefits justify the incentive.”**

The Incentive-Free Development Baseline may be defined as the applicant's reasonably anticipated project without LiNC, including timing, investment, production, employment, downstream development, and infrastructure. Existing commitments shall not count as LiNC benefits unless LiNC materially expands or accelerates them.

Also amend Item 9, Project-Specific Agreements, to add:

- **“Each project-specific agreement shall identify the baseline and the specific additional benefits relied upon in approving the incentive.”**

D. Tiered Additionality and Cluster-Development Requirements. Amend Items 7 and 8 so reimbursement percentages are maximums, not automatic rates:

- **“Standard Investment Incentive Projects shall demonstrate binding and measurable additional benefits beyond the Incentive-Free Development Baseline sufficient to justify the incentive awarded.”**
- **“Early Investment Incentive Projects shall demonstrate a correspondingly greater level of acceleration, cluster development, or other additional public benefit to receive reimbursement above the Standard level.”**

Qualifying benefits may include accelerated commercial operation, downstream processing or manufacturing in Imperial County, third-party supply-chain investment, additional permanent high-road jobs, expanded capacity, or shared infrastructure supporting downstream development. The Board shall determine reimbursement within the applicable maximum based on the magnitude, timing, enforceability, and public value of the demonstrated additional benefits.

E. Lithium Market Adjustment. Amend Items 7 and 8 to add:

- **“All reimbursements shall be subject to a publicly adopted Lithium Market Adjustment Schedule using an independent lithium-price benchmark and defined averaging period.”**

Standard incentives shall operate within a relatively narrow adjustment range to preserve predictability, while the incremental Early benefit shall be more responsive to market conditions. Reimbursements shall decline during sustained higher-price periods and may increase during sustained lower-price periods, subject to Program maximums. The benchmark, thresholds, and adjustment schedule shall be established before project-specific agreements are executed and applied consistently to similarly situated applicants.

F. Project Definition and Anti-Piecemealing. Add to Item 5, Eligibility, or immediately before Item 6, Project Classifications:

- **“For purposes of eligibility and annual and lifetime incentive caps, ‘Project’ includes related phases, stages, expansions, affiliates, subsidiaries, and facilities constituting a common or integrated commercial development.”**

Projects sharing common ownership or control, geothermal/brine resources, infrastructure, or a common development plan shall ordinarily be aggregated. Separate treatment shall require a public Board finding that it will not circumvent Program limits.

G. Protect County Revenues and Exclude Required Costs. First, amend Item 8(a), Eligible Funding Source, to add:

- **“Before calculating reimbursable revenues, the County shall reserve amounts reasonably necessary for documented public-service and infrastructure costs associated with lithium-related development.”**

The County could establish this amount as an Infrastructure and Community Resilience Reserve.

Second, amend Item 8(d), Eligible Infrastructure Costs, to add:

- **“Eligible Infrastructure Costs shall not include mitigation, permit compliance, environmental monitoring, waste management, remediation, infrastructure, or other expenditures the applicant is otherwise legally or contractually required to bear.”**

H. Reporting, Performance Requirements, and Remedies. Amend Item 9, Project-Specific Agreements, to require rather than merely permit minimum accountability provisions:

- **“Each project-specific agreement shall contain measurable performance obligations, standardized annual public reporting, compliance requirements, and remedies.”**

Reporting shall include, at minimum, incentive amounts, incremental investment, construction and permanent employment, wages and benefits, local hire, workforce training, local procurement, downstream investment, County revenues, and material infrastructure/service costs. Failure to meet material commitments shall result in reduction, suspension, or termination of the related incentive. Early projects that fail to deliver benefits supporting the additional Early premium shall not continue receiving reimbursement above the otherwise applicable Standard level.

I. SB 125 Automatic Suspension and Program Reconsideration. The current Resolution uses a discretionary SB 125 contingency, so this proposal would replace that with a more definite but materially triggered reconsideration process. Replace Item 12 with:

- **“If SB 125, the Lithium Extraction Tax Law, Revenue and Taxation Code section 47100, or related law is repealed, invalidated, suspended, superseded, or materially amended in a manner affecting County revenues, authority, obligations, or administration of this Program, no new project-specific agreement or reimbursement shall be approved until the Board publicly reconsiders the Program.”**

Any continuation or amendment shall require at least 30 days’ public notice and a new Board determination that the Program remains legally authorized, fiscally prudent, and consistent with its public purposes. Existing enforceable contractual obligations shall remain subject to applicable law.

J. Technical Correction. Correct the Standard Investment Incentive provision in Item 8(c), which presently states that reimbursement “shall be payable for a period not exceeding ten (20) years,” [sic] to specify the intended duration before adoption.

Closing

Thank you for the opportunity to provide comments on this initial draft of the proposed LiNC Program. CCV respectfully urges the County to consider meaningful revisions and to defer adoption until the public has had a meaningful opportunity to review and comment on the Program.

In sum, the central policy question should be straightforward: What specific additional investment, downstream activity, high-road employment, infrastructure, or community benefit is Imperial County

purchasing with each dollar of foregone public revenue? If a developer would proceed with substantially the same project on the same schedule without LiNC, then the enhanced reimbursement is not functioning as an incentive. It is functioning as a windfall.

If the County's stated objective is to use early lithium extraction to anchor a durable local supply chain, then the enhanced subsidy should be earned by converting that aspiration into measurable, enforceable commitments that produce additional local investment and high-road jobs while protecting the revenues urgently needed for public services, infrastructure, environmental health, and affected communities.

Sincerely,



Luis Olmedo
Executive Director
Comite Civico del Valle