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In the matter of:

Notice of the Convening of  )
The Lithium Valley      )
Commission             )
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NOTICE OF THE CONVENING OF THE
LITHIUM VALLEY COMMISSION

REMOTE VIA ZOOM

THURSDAY, MAY 27, 2021
1:30 P.M.

Reported by:
Martha Nelson
APPEARANCES

COMMISSIONERS
Sylvia Paz, Chair
Rod Colwell
Roderic Dolega
Miranda Flores
James C. Hanks
Ryan E. Kelley
Luis Olmedo
Frank Ruiz
Thomas Soto
Jonathan Weisgall

CEC STAFF
Terra Weeks
Elisabeth de Jong
Deborah Dyer

PUBLIC COMMENT
Orlando Foote
Eric Reyes
Mariella Lora
CHAIR PAZ: Hello, everyone, and welcome to the Lithium Valley Commission meeting. Before we get started, I hand it over to Elisabeth De Jong, the Energy Commission Project Manager for the Lithium Valley Commission, and she will provide some brief housekeeping.

MS. DE JONG: Thank you very much, Chair Paz. This meeting is being conducted entirely remotely via Zoom. This means that we are in separate locations and communicating only through electronic means. We are meeting in this fashion consistent with Executive Orders N-25-20 and N-29-20 and the recommendation from the California Department of Public Health to encourage physical distancing in order to slow the spread of COVID-19.

This meeting is being recorded as well as transcribed by a court reporter. The transcript will be posted to the electronic docket; the recording of the meeting will be available on the Lithium Valley Commission webpage.

Members of the public will be muted.
during the presentations, but there will be an
opportunity for public comment on each agenda
item and an additional opportunity for public
comment towards the end of the agenda.

To provide public comment, please use the
Raise Hand feature in your Zoom application to be
called on to speak. When you speak, please
provide your name and affiliation. If you’ve
called in by phone, you will need to dial *9 to
raise your hand and then *6 to unmute yourself.
Before speaking, please say and spell your name
for the court reporter.

There is also a Q&A window in the Zoom
application which you may use to type your
questions. If you want to provide public
comments but are unable to raise your hand in the
Zoom application or by phone, then during the
public comment portion of the meeting you may
type your comment into the Q&A window so we can
relay your comments. We will go over these
instructions again during the time for public
comment. Please remember to stay muted until
you’ve been called on to speak.

We also have a chat function available
for IT support. We ask that the Lithium Valley
commissioners use the chat only for IT as well.
Any other comments are considered substantive to
the conversation and should be made publicly for
BK compliance.
I will go ahead and lead us through the
roll call before handing it back over to Chair
Paz.
Okay. So I will call your name. Please
respond if you are present and turn your camera
on if you can.
Rod Colwell.
COMMISSIONER COLWELL: Present.
MS. DE JONG: Roderic Dolega. Currently unavailable.
COMMISSIONER DOLEGA: Present.
Miranda Flores.
COMMISSIONER FLORES: Present.
MS. DE JONG: Thank you. Commissioner Martha Guzman Aceves is unavailable to join us
today.
Do we have James Hanks? Just checking to see if he’s in -- yeah, okay.
CHAIR PAZ: I think he’s an attendee and
may need to be promoted to a panelist.
MS. DE JONG:  Yeah, okay. So I just made
James a panelist and I’ll come back to him and
just a moment.

Ryan Kelley?

COMMISSIONER KELLEY: Yeah, I’m here.

MS. DE JONG: Great. Jim Hanks, do we
have your audio? Not yet. Okay.

Arthur or Richie Lopez is unavailable to
join us today. Luis Olmedo.

COMMISSIONER OLMEDO: Present.

MS. DE JONG: Thank you. Silvia Paz.

CHAIR PAZ: Present.

MS. DE JONG: Thank you. Frank Ruiz.

COMMISSIONER RUIZ: I’m here.

MS. DE JONG: Thank you. Manfred Scott
is unavailable today.

Tom Soto. I believe Tom Soto may join
late.

And Jonathan Weisgall.

COMMISSIONER WEISGALL: Present.

MS. DE JONG: Great. Thank you. I
briefly saw James Hanks. Are you able to connect
to audio? Yeah, it looks like you’re muted.

COMMISSIONER HANKS: Yeah, I am here.

MS. DE JONG: Great.
COMMISSIONER HANKS: Can you hear me?

MS. DE JONG: Yes, we can hear you.

Thank you.

Okay, so we have at least eight members. We have a quorum. And also in attendance with us today is Commissioner Douglas and advisors and advisors to Chair Hochschild on the line.

So I will now hand the meeting back over to Chair Paz.

CHAIR PAZ: Thank you, Elizabeth. So if we can review the agenda, the Lithium Valley Commission will consider and react on the following items that you see on the screen today. We have a couple of administrative items. Most of our meeting today, however, will be to discuss the different sections of the report and really do a deep dive into each one of them.

Towards the end, we will continue to have our media and legislative updates and there will be opportunities for public comment throughout.

Thank you. Next slide.

So this is the approval of the minutes. Is there any discussion, edits, or comments by any of the members?

COMMISSIONER WEISGALL: Do you need a
motion for approval?

CHAIR PAZ: Yeah, I can take a motion.

And we’ll do the vote after we hear public

comment.

COMMISSIONER WEISGALL: Okay. Well, if

you need, I will so move if this is the

appropriate time to approve the minutes.

CHAIR PAZ: Thank you, Jonathan. Is

there a second?

COMMISSIONER COLWELL: I’ll second.

CHAIR PAZ: Thank you, Rod. So we’ll go
to public comment.

MS. DE JONG: All right. So if you are

joining us on Zoom on your computer, please use

the Raise Hand feature. If you’ve called in,

please dial *9 to raise your hand and then *6 to

unmute your phone line. And first we’ll go to

hands raised in the Zoom application and then the

phone.

I am not seeing any hands raised for this

item, so I’ll turn it back to you, Chair Paz.

CHAIR PAZ: Thank you, Elizabeth. We had

a motion and a second. Can we please do a roll
call on this item?

MS. DE JONG: Yes, happily. When I call
your name, please let me know if you vote yes or no to approving the April meeting action minutes.

Rod Colwell.

COMMISSIONER COLWELL: Yes.

MS. DE JONG: Roderic Dolega. I see you have a hand raised. Just one second. I am promoting Rod Dolega to the panelist. You should be able to unmute yourself now and speak.

COMMISSIONER DOLEGA: Yeah. Thank you very much.

MS. DE JONG: Thank you. And is that -- I’m sorry, your vote on this item?


MS. DE JONG: Thank you. Miranda Flores.

COMMISSIONER FLORES: Yes.


COMMISSIONER HANKS: Yes.

MS. DE JONG: Thank you. Ryan Kelley.

COMMISSIONER KELLEY: Yes.

MS. DE JONG: Okay, great. Thank you.

Luis Olmedo.

COMMISSIONER OLMEDO: Yes.

MS. DE JONG: Thank you. Silvia Paz.

CHAIR PAZ: Yes.
MS. DE JONG: Thank you. Frank Ruiz.

COMMISSIONER RUIZ: Yes.

MS. DE JONG: Thank you. And Jonathan Weisgall.

COMMISSIONER WEISGALL: Yes.

MS. DE JONG: Great. The motion passes and we’ll move on to the next agenda item.

CHAIR PAZ: Before I pass this item in conversation to Terra, who will be discussing a document that was presented to all of us via email on the rolls of the sub-bodies, I do want to let you know that in between the meetings, there was a lot of thought given to our discussion in sub-bodies, and I hope that what Terra will be presenting to you today will reflect both the discussion and the interest that the commissioners had expressed in the various topics of the report.

But, Terra, I’ll hand it over to you.

TERRA WEEKS: Great. Thanks, Chair Paz.

And hi, everyone. Once again, I am Terra Weeks. I am a senior advisor to Chair Hochschild of Energy Commission and I’ll be serving as the project manager for this report from our end.

So as Chair Paz was saying, we wanted to
just spend some time just clarifying the respective roles of the Lithium Valley Commission as a whole, the sub-bodies, and the role of the Energy Commission in developing the report. So we put together this short document. Hopefully you’ve had a chance to review it, or you can take some time after this meeting. But we’ll just go through the highlights now. And this can be thought of as kind of a living document. So if there are changes that need to be made, we can absolutely do so. It’s not going to be approved, so you don’t have to think of it as a formal document. So next slide, please.

So just to level set on kind of how we’re thinking about this report, we propose that the report will be a concise document summarizing findings of review, discussion, and analysis provided by the Lithium Valley Commission with support from the CEC. And the primary goal of the report is to provide specific policy recommendations to the legislature along with adequate context and considerations to ensure that the Lithium Valley effort proceeds efficiently, equitably, and in an environmentally-conscious manner. Next slide,
please.

So after last month’s discussion on the sub-bodies, we’ve kind of recalibrated the role of the sub-bodies a bit to just ensure that all commissioners have an opportunity to discuss and provide input on all topics and recommendations in the report. And I’ll talk a little bit more about the sub-bodies on the next slide. But our recommendations generally for commissioners in terms of engagement on the report are to participate in any public and community engagement meetings in addition to these monthly meetings; to research and identify relevant resources, documents, and workshop participants that will be used to inform the report; develop, discuss, and finalize policy recommendations, review and edit report drafts; and then coordinate with the Energy Commission Media Office to respond to public and media inquiries. So we are really here to support you on the media front as well. And then of course to review and approve the final version of the report before it’s submitted to the legislature. Next slide, please.

So now I’m getting back to the sub-
bodies. Again, after the discussion last month, it seemed like there was a lot of interest in quite a few of the topics, and we really don’t want to limit participation from any commissioners on any topics that you’re interested in. So we are reformulating the role of the sub-bodies to more of a liaison-type role where we’ll have two people on each sub-body, but they will act more as facilitators and liaisons between the whole Lithium Valley Commission and the Energy Commission staff on specific topic areas. So, again, all commissioners will have an opportunity to weigh in on all topics of the report.

And then specifically we recommend that the sub-bodies work with all commissioners to develop a library of key resources related to the specified topic, and CEC staff will help assemble that library as well.

And then for workshops on that designated topic area, we hope that the sub-bodies will work with fellow commissioners to identify workshop speakers, develop workshop agendas, and then facilitate the workshops. So this includes making introductory remarks, moderating...
discussions, and proposing discussion questions as needed. And then following the workshops, work with our staff to summarize findings and outline the key points for the report just to make sure we’re kind of capturing the same things that you were. And then we would also like the sub-bodies to review and edit the relevant sections of the report prior to going to the full commission for review. Next slide, please.

And then finally I want to clarify the CEC’s role in report development, which consists of researching and synthesizing information provided to develop the report as well as report writing and technical editing. This piece is really kind of key to what we’re trying to get at.

So policy analysis and recommendations will be developed by the Lithium Valley Commission. And CEC staff will write the report sections for your review, editing, and approval based on your direction. So we really aim to capture your perspectives but don’t want to impose our own views into the report. So, you know, we’ll kind of help with the work, you know, the actual writing of the report, but we really
want it to be directed by you all.

So we’ll also work with the sub-bodies to ensure that the commission, stakeholder, and public perspectives are adequately considered and reflected. Chair Hochschild and Commissioner Douglas and/or CEC staff may also participate in discussions and workshops as appropriate. And then our staff can also contribute subject matter expertise to help inform the report. And so this includes areas like EV and batter manufacturing, supply chains, electric grid planning, and environmental impacts.

So from here, I’ll pass things back to Chair Paz to talk about the sub-body assignments.

CHAIR PAZ: Thank you. So, again, as Terra mentioned, we have shifted from the more formal structure that we were considering in the beginning and we are seeing now the sub-bodies really as leads that will engage the entire commission. And I just want to clarify that, you know, that means that we are not necessarily -- sub-bodies will not necessarily be meeting separate from the Lithium Valley Commission when we’re discussing the areas of the report, but they will be serving as key contacts with CEC to
help us develop agenda and workshops, things of that nature.

So for that reason, it felt a lot more comfortable in limiting the sub-bodies to two key leads, and they are listed on the agenda. And I hope that everyone sees themselves reflected in at least one of the key areas where they expressed interest.


So if there are no objections -- again, this is not a voting area, it’s just a way to identify the leads and give us some key points of
who to contact as we address each of the topics.

Jonathan, I see you have your hand up.

COMMISSIONER WEISGALL: Yeah, just a
minor point. When I was testifying yesterday
before the Select Committee, I kind of stressed
how we at least talk about lithium recovery, not
lithium extraction, because we are not mining it.
This is really a different process from mining.
And I think extraction sends the wrong message.
If no one objects, I’d like to talk about -- I’d
like to change that sub-body for Rod and myself
to Lithium Recovery Methods instead of Lithium
Extraction.

CHAIR PAZ: Luis Olmedo?

COMMISSIONER OLMEDO: I have much respect
to the experience of the experts, the operators
of the geothermal industry. There’s a lot of
questions that remain unanswered, not because the
information isn’t available. I assume that it’s
available. I just wonder if it’s premature to be
making those types of definitions given that
there is still a lot of information, still a lot
of experts that I assume will be presenting to
this commission as well as members of the public.
Ultimately, I feel that it is the regulatory
bodies that have to determine what exactly is the characteristics and the nature of the operations and for us to make the recommendations as a commission with information. I think right now just beginning to put these committees together, we haven’t had an opportunity to take a deep dive on the information that is out there available, or perhaps that is not available and requires more research or more information. So for a matter of clarity, I would not support that request at this time.

CHAIR PAZ: Is there any other comments?

Thank you, Luis.

COMMISSIONER COLWELL: Silvia, it’s Rod. But if you wanted a hand with the Workforce Development part, we are actually engaged in that. So I’m happy to assist you if you wish.

CHAIR PAZ: Yeah. Thank you for that. We’ll latch you to Workforce Development, Rod.

In terms -- I see Jonathan Weisgall --

COMMISSIONER WEISGALL: With all due respect to Luis, I don’t need a regulator to tell me whether I’m extracting lithium or recovering lithium. We know what we’re doing.

In western Australia, lithium is mined.
It’s extracted. It’s extracted from under the earth in these evaporation ponds in South America. We are running our geothermal brine and we are recovering that brine. So whatever. This is not a big deal. I think that’s kind of a rather strange objection, but if that’s the way – you know, I really don’t know what to say. There’s plenty of information. We know exactly how we’re doing this. So it’s rather odd to hear that kind of objection. That’s all I can say.

CHAIR PAZ: Thank you, Jonathan. And I do believe -- I mean, we can explore and go into further the sub-bodies. And then once we get further, we can reassess how the report is going to be reflecting each of these areas or names. But I do believe that the language that we have in front of us was pulled as closely as we could to the language that was on the bill. So that’s why you see the language here.

Again, I don’t know that we’re going to have to stick to that or not, but that’s something that we can definitely continue to look at. And for now focused on developing each of the content area and the analysis that we want to see under each one.
DEBORAH DYER: This is Deborah Dyer. And I just wanted to point out that what the sub-bodies are named does not in any way predetermine the direction of the report or the findings or recommendations of the report. So that would not constrain the sub-body or the Commission in their direction.

MS. DE JONG: I see Luis Olmedo has raised his hand. Luis?

COMMISSIONER OLMEDO: Just in response to Commissioner Weisgall, I don’t want this to be interpreted as an opposition, but as a request for more information before making substantive decisions where the Commission would have at least an opportunity to take a deep dive in the different subject areas that have been assigned. That’s all. It should not be interpreted as an opposition in principle, but in request for more information.

CHAIR PAZ: Thank you, Luis. So if everyone is okay -- again, as Deborah clarified, what we have right now in terms of the names of the sub-bodies does not predetermine where the report is going to end, that this is preliminary, and again, the names -- the language right now is
just very tied to what we have on the bill. And
so if there’s no objection, we will move forward
to the next item. No, actually, it’s public
comment after, right?

MS. DE JONG: Yes. Thank you, Chair Paz.
I actually want to jump in just before we get to
public comment. I did hear Ryan Kelley’s voice
earlier, but possibly signed in under a different
name. So, Ryan Kelley, if you can hear me, if
you wouldn’t mind raise your hand or speak and I
will try to identify you in this list and rename
you. I guess it is also possible that we lost
him. Okay. So for now, we’ll take it that Ryan
Kelley is not available. We’ll go ahead and turn
to public comment.

If you’re joining by Zoom on the
computer, please use the Raise Hand feature. And
if you’ve called, please dial *9 to raise your
hand and *6 to unmute your phone line. First
we’ll go through the hands raised in the Zoom
applications and then the phones. I do see we
have some written comments as well. If you don’t
want to make that comment verbally, then we can
read out your comment. So please go ahead and
raise your hand.
Okay, I am not seeing hands raised.
Okay, I see one of the comments. Okay, Orlando Foote, I have allowed you to talk. You should be able to unmute yourself.

ORLANDO FOOTE: Can you hear me?

MS. DE JONG: Yes, we can.

ORLANDO FOOTE: Good. A comment with regard to Mr. Olmedo’s comment and in support of Jonathan Weisgall. I believe that whatever can be done to encourage the deliberate speed of this process is critical. There are so many moving parts, some of them here locally. I happen to be an attorney here in Imperial County. I’ve practiced here in the geothermal area and any number of areas for close to 40 years, and I’m very anxious for this community to move forward and recognize the significance and consequences of lithium development and taking advantage of the enormous significance of it here in Imperial County. So I would just endorse the minimization of whatever it takes to speed this process forward, to speed the activities of the Commission forward and to do whatever is possible to move to a full process of taking advantage of the resource.
MS. DE JONG: Thank you, Orlando.

Eric Reyes, you should be able to unmute yourself.

ERIC REYES: I just want to support Luis Olmedo and his position that it’s way too early for, say, not just you as committee members, but us as community members to change -- you might call it semantics. It’s semantic manipulation we feel. There’s still a lot of ins and outs. And I’m sure you will disagree with us because you are experts in your field. But on our end, there’s so much still to learn. And how we’re going to be able to make this work in a functional manner that doesn’t impact the community more, we’re not too willing to allow that manipulation at this time. So I hope you stay with extraction as we learn more. Thank you.

MS. DE JONG: Thank you. We have another hand raised. Mariella Lora.

MARIELLA LORA: Hi. I also just want to express my support for Luis Olmedo and thank him for raising those points. Thank you.

MS. DE JONG: Thank you. Okay. And I’ll go ahead and read -- we did have one question
submitted via -- sorry, that comment from Michael Marsden says, “I would like to attend the Legislative Regulatory Recommendations sub-body meetings and offer my participation.” Pacific Charter, Michael Marsden, and the email address. “Can I attend the sub-body meetings and how can I learn about the meetings scheduled?”

CHAIR PAZ: Should I provide an answer to that?

MS. DE JONG: Sure, if you would like to. Yes.

CHAIR PAZ: So as mentioned earlier, the sub-bodies will not be meeting independently to discuss the areas of the work. Those will be held during our regular Lithium Valley Commission meetings. What they will be doing between meetings is help plan for the content and things like that. So the best way to join the discussions is through joining the Lithium Valley Commission monthly meetings. And in the case where we add meetings for community engagement and such, those will also be properly notified.

MS. DE JONG: All right. Thank you so much. I don’t see any further comments at this time. So, Chair Paz, I’ll turn it back to you.
CHAIR PAZ: Thank you. So, again, I will be turning it over to Terra soon. But as we go into the discussion of the legislative report, I also want to encourage everyone, now that we know who the lead person is going to be, to really start taking ownership of that sub-topic, what you want to see, if there’s anywhere you’re familiar, and engaging your other colleagues in those discussions, obviously keeping in mind the presentation that was given to us with regards to Bagley-Keen. But other than that, just put that hat on. And, yeah, I think this report is going to be -- and the activities of the committee are going to be shaped to the extent that we can all be proactive in the different areas of expertise that we have.

Terra, I will hand it over to you.

TERRA WEEKS: Great. Thanks. So now we really wanted to spend kind of the bulk of this meeting diving into what you actually want the report to say. And so kind of building on the presentation, the basically barebones outline that we reviewed at the last meeting, starting to dive into it and flesh it out. Next slide, please. Thanks.
This is essentially the outline that I presented at the last meeting. Really just kind of statutory requirements, not much else. So essentially kind of thinking about it in three chapters. The first one is background, and then going into the areas of analysis that are required by the statute. So these align pretty closely with the sub-bodies. We are adding the workforce development topic. So we can kind of think through if we want that as a subsection or if we want to add, you know, another specific section on that. And then the third chapter is the legislative recommendations and regulatory changes.

So essentially what I’d like to do at this meeting is kind of go through each of these topics one by one and basically have kind of a brainstorm. This isn’t going to be the only conversation we’re going to have on this, but I think it will help us to go through and start refining the outline for your review ahead of the next meeting. So we really just kind of want to get information on how closely you are engaged in these topics, what resources you are aware of, how we start kind of formulating this report.
Next slide, please. Okay.

These are some questions that we’d like you to consider as we move through these topics. Are there additional topics that you would like included in the report? What sub-topics should be included in each section? What analyses already exist in these areas? Is there quantitative analysis that needs to be completed, and if so, what resources, expertise, and/or data would be required? And we may be able to support some of this within the Energy Commission. We’ve also talked about potentially having the resources to bring on a consultant if there is a specific quantitative analysis that’s required. And then are you aware of relevant literature or resources that can support report development in these areas, and what work have you engaged on and what other relevant efforts are you aware of for each of these topic areas? Next slide please.

So actually if you could go back one slide. I just want to pause here and see if Chair Paz or Vice Chair Kelley have anything that you wanted to add.

CHAIR PAZ: I think I added my piece.
Ryan Kelley, do you have anything you would like to add here?

MS. DE JONG: I don’t believe Ryan Kelley is connected right now into the meeting. We did hear him earlier. But if he is on, please speak.

CHAIR PAZ: Okay. I can bottom line again that we’re going to be depending on everybody’s involvement in developing the report. And to the extent that you have the expertise or have been talking to other people to bring that to bear and let us know and be active throughout the report. And some of these questions today will help us to start with the brainstorm, but really should lead into a more active-oriented conversation for the meetings after today where we can start workshopping all of the topics and compiling the research and information that’s going to help us answering the questions that we are tasked with.

Back to you, Terra.

TERRA WEEKS: Great. I think Commissioner Olmedo had his hand up. If you want to jump in.

COMMISSIONER OLMEDO: No, I was just going to -- I think Mr. Kelley may have left and
will be back. But I don’t think he’s on the call at this moment.

TERRA WEEKS: Okay, thanks. Okay, so moving on. Next slide, please.

So now we’ll just jump into the individual sections. And we have about ten minutes allocated per slide. And so again, this is just going through each topic area one by one. Some will probably take longer than others, but just want to give everyone a chance to just kind of provide some additional thoughts and guidance.

So Chapter 1 is on the background. The first two sections should be really straightforward. So first is just an overview of the bill and what it requires. Then we’ll have an overview of the Lithium Valley Commission, including a summary of the public meetings and the public engagement process. So I think the first two bullets should be really just kind of factual summaries, basically.

And then the third bullet is a high-level discussion of your vision for Lithium Valley. And so we did have kind of a brief discussion on this at the February monthly meeting. So some of the key points that were brought up in that
discussion were around creating a lithium or
battery hub and supply chain in California,
creating benefits that reach the local community
with a focus on workforce development and high
road job creation, tying into support of local
environmental mitigation efforts, focusing on
developing a clear regulatory and legislative
framework that spurs investment in the region,
acknowledging local challenges and community
history with previous industries. And then there
was also a discussion around possibly setting
some goals for the effort, like a five or ten-
year lithium production goal.

So I wanted to just kind of open that
discussion back up, see if folks have other items
they would like to bring up. And maybe
especially hear from the commissioners who didn’t
have a chance to chime in to that discussion in
February. So I’ll just kind of open it up from
here.

So, again, this is just kind of hearing
your overall vision for this effort. Just
getting ideas of -- it could be specifically what
you want to accomplish with this report and this
commission or kind of how you see Lithium Valley
fitting into California’s overall goals.

Benefits, just kind of high-level vision what you would like to see out of this overall effort.

CHAIR PAZ: Terra, well -- okay, go ahead. Luis, was that you?

COMMISSIONER COLWELL: Sorry, it’s Rod here. I guess I can kick some conversation off if it’s appropriate in regard to vision. The big picture I think really five years in goal-setting and working backwards. The way as active developers and our view, I guess, we’re starting to see beyond just engagement for lithium supply at the moment, which includes power supply for additional geothermal energy. But there’s active discussion going on right now about cathode and battery colocation. And I think the concept of when we first started this discussion was more or less a concept. We sort of got the -- you know, we could get the concept of the leading supply chain where this particular lithium doesn’t need to go offshore to Asia or China for post-processing and be shipped back again. So I think there has been a move for that.

So the vision now is actually becoming sort of somewhere between a reality. And what it
means is the environmental benefits of Lithium production I think were mentioned before. Hard rock, the Searles style of mining to say geothermal brines which is, you know, there’s no byproducts, it’s clean. And I think the supply chain is starting to sort of see that. So we are starting to really see this vision accelerate. So that’s goal-setting and working backwards, I think thinking about this as more of a master plan.

Now, on community engagement, I know from our point of view, CTR’s point of view, jobs is first and foremost. So the community engagement with the university and colleges on jobs. And again, Silvia, looking forward to working with you particularly on that matter. So it’s really sort of how to streamline the -- we’re starting to picture the ecosystem, if you like, and how we fast-track and take advantage of this opportunity at the moment.

CHAIR PAZ: Thank you. Luis?

COMMISSIONER OLMEDO: I would support the suggested subtopics. One of the things that -- and excuse my ignorance, but do we have a translation into Spanish, which is the
predominant second language in the region? I was hoping to get an answer before I complete my comment.

CHAIR PAZ: are you asking whether the report will be translated into Spanish?

COMMISSIONER OLMEDO: Right. Do we have translation for the Lithium Commission?

CHAIR PAZ: Currently there is no one translating the Lithium Commission meetings. That doesn’t mean that it’s not going to happen. But when we have our communication meetings and outreach, that’s something that we have discussed. And especially via Zoom, it’s not very complex to include a translator as we move forward for those engagement meetings.

COMMISSIONER OLMEDO: Okay. For starters, that’s what I would recommend, that the Commission budget for a translator through the entire process. It’s really not up to us to decide what access we give, when, and how. It’s access altogether, completely. Right? That’s equity. And we need to be able to remove these barriers. And community engagement is a long process. It’s not just those who are working in the community, it’s the community itself that has
barriers or reasons as to why it’s difficult for them to participate and engage. So let’s begin by bringing in translation and then building an informed plan with the public involved.

I completely support the idea and the dream of bringing the lithium technology and the entire supply chain locally. I think often the fact that a community may want to negotiate better conditions or the fact that we have had other iterations of renewable energies that haven’t really quite delivered on the long-term jobs, the long-term community benefits, or perhaps there were fractures in that system where those resources didn’t quite reach the most economically-depressed areas or help put a dent on our local jobs long-term. That should never be interpreted as, oh, you’re either for or against, which is something that I’ve heard for far too many years. Geothermal has been here for many years. We have a long history of their operation here locally.

And so I am very much in support of what the future could be like here with lithium and geothermal. But, again, let’s bring as many subtopics as necessary to get the whole picture.
And I truly believe, and I’ve said this publicly before, I think that sometimes looking into -- trying to exempt or bypass or fast-track, a lot of times it turns really good intentions, really good ideas into incomplete vision.

So, anyways, but I support the suggested subtopics that are currently being presented here.

CHAIR PAZ: Thank you. Are there any other comments?

I have a few suggestions under the Community Engagement Process. And I think it would be worthwhile at the beginning or as background for us to have a section that’s going to describe the outreach strategy and the implementation more in-depth that we should be considering or addressing how the socioeconomic conditions of the region led to key components of the strategy. So, again, as we’re exploring each of these topics, keeping community engagement as a (indiscernible) and being intentional about how the local context, the conditions in the region are helping us as a commission develop the strategies and recommendations, how is it that we’re being responsive to each one of them. And
I think highlighting those things and putting them at the forefront will be helpful. I think also we should be able to capture information on how many people were able to participate in the identification of issues and the development of recommendations and the selection of priorities or key recommendations and if possible include where those meetings took place and how they were organized. I think every subtopic of the report might differ slightly on the approach. But again, I think everyone who is helping lead a subtopic should help us think about a community engagement process and how we’re going to be bringing in not just for input, but really having these conversations with various stakeholders to help us shape the content of the report. Thank you.

MS. DE JONG: Elisabeth here. I just wanted to jump in because Commissioner Olmedo did request a response to his comments on providing translation.

On the CEC side of things, we are going to be working with the public advisor at the California Energy Commission and talking with them about those opportunities of integrating
translations and implementation moving forward.

CHAIR PAZ: Thank you, Elisabeth.

MS. DE JONG: And (indiscernible)

Commissioner Colwell.

COMMISSIONER COLWELL: Yes. So if it’s helpful to the Commission, we are happy to put together a short presentation to visualize. It may be helpful. A presentation that would encapsulate the big picture or ten-year vision of Lithium Valley, the big picture of clean jobs, colocation, environmental, social, and economic benefits. Part two could be development timeline for a successful Lithium Valley. And what that means is where the market is and sort of encapsulating what the opportunity is, visualizing the clean energy and auto hub opportunity as part of that. So we’re sort of segregating. So it’s visual to that, which is colocation opportunities I mentioned before and what is to attract cathode battery and auto manufacturers to the state. That touches on things like tax breaks and things -- you know, jobs, et cetera.

Then of course the final part would be a train and maintain type of visualization. Long-
term clean jobs. Training, education for local community, which of course includes -- you know, the community engagement includes all four of these parts. So if it’s helpful, Chair Paz, we are very happy to shoot you some visuals of how we see it at 60,000 feet and then go from there.

CHAIR PAZ: Yes. Everything that you have in resources will be helpful in helping us determine and explore the different subtopics. So that would be appreciated. Thank you.

Terra? I see Jonathan.

COMMISSIONER WEISGALL: In response to Commissioner Olmedo, we have already prepared a one-page, just the facts one-pager on lithium production and BHE renewables in Spanish. We would be delighted to provide that to the Commission for distribution to the commissioners.

CHAIR PAZ: Thank you.

COMMISSIONER WEISGALL: We recognize the importance of translation into Spanish of much of what we do.

TERRA WEEKS: That would be great. And we can docket that as well.

COMMISSIONER WEISGALL: I’ll shoot that to Elisabeth and Terra.
TERRA WEEKS: Thank you.
CHAIR PAZ: Thank you. I think it would also be helpful, and maybe it goes to Rod’s offer around the big, high-level picture. But understanding what the different phases and stages of lithium development are. Because I think understanding from the pilot, which is where some of the project started, and from pilot to actually getting into market, can we identify different phases and then approximately stages, like how long does it take. It would help us also identify -- and I remember Commissioner Guzman was talking about setting goals. Well, then having the phases and the stages would help us set goals for each one and be a lot more clear if we’re thinking about creating this roadmap.

So I don’t know, Rod, if that’s something that you or maybe Jonathan could help with.

COMMISSIONER COLWELL: Yes, ma’am. We will include a program and break that out into milestones. I can liaise with Jonathan and his team and we’ll put something together. If you’re happy with that, Jonathan.

COMMISSIONER WEISGALL: Delighted to help. Give me a better sense of what you’re
looking for, if you would, Chair.

CHAIR PAZ: Yes. So for me, I’m thinking for example very specific to the workforce sub-body. As I’m thinking about what type of workforce might be needed, it would be helpful for me to understand the different stages. Like how do we get from the development of the lithium from the geothermal to all the way to when we can market it, all the way to -- you know. So what does that chain look like.

COMMISSIONER WEISGALL: Got it. And as far as workforce, as I think I may have mentioned at a previous meeting but also in testimony yesterday mentioned that we are already working with Imperial County College on curriculum development, but it does need work. And I want to follow up with Gloria Garcia as well because it’s not too soon to think about all of that. So, yeah, I would be delighted to work on that. Can certainly do it with Rod. And this is an example of where I would love to bring in the academic folks. And I think Lithium Valley -- excuse me, Imperial County College would be a terrific partner in that regard.

CHAIR PAZ: Thank you.
COMMISSIONER WEISGALL: Yes.

CHAIR PAZ: Luis?

COMMISSIONER OLMEDO: I just want to take the opportunity just to acknowledge both Commissioner Weisgall and Commissioner Colwell, their offer to bring in information and resources and help bridge that gap of knowledge and information for the community.

I am a firm believer that historically the industry has had a limited pool of players in negotiating business locally. And I think this is a historical opportunity where we can broaden who those involved are. And I think if we bring in the community, we can truly be successful.

I know that every comment I make isn’t going to be -- and I apologize, my kid is watching cartoons here. So it’s bring my kid to work today.

I do believe that historically that has occurred. So I hope that whatever ideas or recommendations I bring, again, are not interpreted as against lithium. I’ve lived in this valley the majority of my life. I want to see this dream come true as much as anybody else.

And with that said, I recognize that the
industry has had, at least from an environmental justice standpoint, we have had considerable concerns of what we call the waste stream, or it might be called byproduct for the purposes of conversation. It would be great to also get information of what all that is about. Because I understand that geothermal cannot operate without certain policies that allow the brine to be brought to the surface.

Again, that’s just one example, but I think I would like to make sure that those conversations do occur. What can be done better, what can the state and the federal government help support to make it better. And the difference is in the technologies as well. Because looking at a lot of databases. And one geothermal sometimes will not be the same as the other. So there’s a lot of information that I hope is shared with the commission as well as with the public. Thank you.

CHAIR PAZ: Thank you, Luis. And keep that in mind as we move toward the other chapters and discussing. Because I think some of the recommendations or things you want to see would be appropriate in some of the other chapters as
well.

So if we are done reviewing the background, maybe we can move on to another chapter. Tara?

TERRA WEEKS: Yeah. Thanks for that discussion.

So I think we’re actually going to go a little bit out of order because it sounds like Commissioner Soto needs to leave early and we want to make sure that he can be involved in the discussion of the sub-area that he is engaged on, which is the recommendations.

So I’m actually going to suggest we jump to the discussion of the incentives. And I think that will lead nicely into the discussion of the recommendations. And then we’ll hop back and go through the rest of the topics as planned.

So this is within Chapter 2. So these are the areas of analysis that are required by the statute. The language on these slides is what’s in the statute. So it’s fairly minimal. The incentives section actually has kind of the most language.

And so what it says in the bill for this section is to look at the importance of and
opportunities for the application of local, state, and federal incentives and investments to facilitate lithium extraction from geothermal brines, including, but not limited to the following. Use of enhanced infrastructure financing districts or community revitalization investment authorities, new employment tax credits in former enterprise zones, income or franchise tax credits under agreements approved by the California Competes Tax Credit Committee, sales tax exemptions for new manufacturing equipment, and leveraging tax incentives in federally recognized opportunity zones.

So I guess I’ll just open it up for discussion on this item. And I am just trying to remember who exactly is on the sub-body for this one. I think it was Commissioner Weisgall.

MS. DE JONG: For Incentives it’s Commissioner Weisgall and Commissioner Guzman Aceves.

TERRA WEEKS: Oh, right. So maybe I’ll hand it to Commissioner Weisgall first to just kick off the discussion.

COMMISSIONER WEISGALL: Well, I think this is I think a really critical part of what we
need to do. I’ve already started working in this area. Obviously if we go to commercialization, the goal here is going to be to produce lithium in a cost-competitive manner with other producers in the United States and around the world. Sadly, there are a lot of off-takers who don’t care about the environmental benefits. So we could have the world’s most environmentally-responsible lithium recovery system, but if we’re not cost-competitive, it’s not going to work.

We all know that doing business in California can be challenging. But at the same time, the state does offer a number of different incentive programs that really cover the waterfront, beginning with employer-employee credits, these tax credits in enterprise zones. There were opportunity zones set up at the federal level under the 2017 Trump administration tax bill, which unfortunately excludes the exact area of the geothermal plants. They do cover I believe El Centro and parts of Riverside County. But there is some work there that -- again, all of these will lead to either low-cost loans, tax credits, and the like.

There are other existing institutions.
There already is CAEFTA, the California Alternative Energy Financing and Transportation Authority, that can provide -- yes, it is a terrible acronym, Terra, I see you smiling -- that can provide tax relief for manufacturer equipment on sales tax. I know that Tesla used that quite successfully.

There's also the opportunity to use or take advantage of the Department of Energy's Loan Program Office. Again, another -- you know, we read in the newspapers about Solyndra. And that's why many republicans have attacked this loan program office, because that was a $500 million loan that went south. People don't remember that another beneficiary of that program was Tesla, which paid back the federal government with interest. And actually when you look at the entire loan program amounts, they actually are above water because some of these projects have been so successful. But again, there you are borrowing at Fed rates. You've got loan guarantees. So there's really a whole array of state and federal incentives that we just need to make sure we apply to Lithium valley. Now, obviously any individual developer, whether it's
ourselves or Energy Source or CTR can go to the Loan Program Office, for example, when you’re ready to go commercial and you need a construction loan and you want to borrow at even lower than rates that accompany like mine can borrow because we are AAA rated. But there also I think is the need to look now at extending some of these federal programs and state programs to make sure Lithium Valley is covered.

The one example I used, Terra, were the Federal Opportunity Zones. And I’ve already -- kind of making some noises in Washington about trying to amend that program to make sure that Lithium Valley is covered.

So that’s the basic purpose. And all of this will result in making Lithium Valley more cost-competitive and making California’s lithium competitive in the market. I should say that in our demonstration project, that our company already has with the California Energy Commission, we need to demonstrate that we can produce lithium at under $4,000 a metric ton. So that’s already one of our requirements, if you will, under our demonstration R&D grant from the energy commission. But those are some thoughts.
TERRA WEEKS: That’s great. And just kind of while I have you thinking about this, you know, offhand are there specific folks you would want to make sure that we’re getting in the room for the workshop on this? I mean, I think we would obviously engage closely with GO-Biz. But are there specific offices or people you would recommend from federal or other local levels?

COMMISSIONER WEISGALL: Definitely GO-Biz. Probably Department of Energy, the Energy Efficiency Renewable Energy Office, probably the Loan Program Office, a number of other folks.

Tom, you may have some ideas as well.

COMMISSIONER SOTO: I would say Derek Chernow, who is the head of the Pollution Control Finance Authority that Jonathan mentioned, I think that you want to elevate this as high as the state treasurer herself, Finoa Ma, and maybe have her participate by Zoom in some of this discussion and describe to us what her level of priority is to assure that we get that priority.

There’s also an excellent resource we have with the Department of Energy. And that is the secretary (indiscernible) Granholm is very much a Californian. And she worked closely with
us at New Energy Nexus on a number of studies
that we were involved with. Now she’s secretary
of energy. And her chief special assistant and
senior advisor many of us know. Her name is
Karen Skelton. And Karen and I had lunch in
Washington probably three weeks ago. And she is
desperate to identify opportunities that the
secretary could bring to California.

So I mentioned our commission and what
we’re doing. So I would suggest reaching out to
Karen Skelton. And then of course Jigar Shah
from Generate Capital, who is now the head of the
loan program that Jonathan described. He’s very
familiar with this topic, very familiar with
Lithium Valley, and I think could be an
incredible resource to help to have this
conversation gain scale toward a funding
opportunity. If I had my druthers, there would
be an absolute subdivision on lithium, national
security, and our future. And this would be the
hub.

COMMISSIONER WEISGALL: Yeah. And,
Terra, let me not take any more time here. But
there are plenty of other areas. And I think
maybe what I will do for the next meeting is
outline some or that. I mean, there are hiring
tax credits for qualified employees, there’s
sales and use tax credit, there are business
expense deductions with accelerated depreciation
where a business can treat up to 40 percent of
the eligible cost of qualified property as a
business expense, not a capital expense. There
are net interest deduction for lenders. Really a
whole series of different programs.

And I think that -- and, you know, Tom is
absolutely right. We’ve got a Biden
administration that is looking not just to
promote a clean energy economy, but to devote 40
percent of all resources to disadvantaged
communities. So everything we’re doing in
Lithium Valley checks every one of those boxes.

TERRA WEEKS: Yeah. That’s great. And
just thinking through the workshop agendas, I
think it would be great to have you maybe kick
off that session with just an overview. We can
continue the planning process as we move forward,
but I think this is a great starting point.

COMMISSIONER WEISGALL: Okay. And what
I’ll do is I’ll get a slide deck to you and
Elizabeth just to get that process started.
TERRA WEEKS: Perfect.

CHAIR PAZ: Rod?

COMMISSIONER COLWELL: I’d just quickly like to add to Jonathan’s comments. I think what we’re seeing in the marketplace to actually compete with the Gulf Coast and Georgia, part of this consideration, whether it’s Point B or E, but there’s probably some sort of limited land tax exemption for the third party battery cathode guys to attract them there. It could be limited to a period of time, but some sort of careful consideration on that. Because at the moment, a hundred percent of nothing is nothing. And to get these guys there rather than going to Georgia is a real competitive environment at the moment. So I just wanted to add that to Jonathan’s comments.

CHAIR PAZ: Thank you. Luis?

COMMISSIONER OLMEDO: Yeah, hello. These all seem to be very traditional models of incentivizing the community development or infrastructure development, industry incentives. All very important.

One thing that I don’t see very often is, again, the spirit of the direction that the
federal administration, President Biden wants to
take the country. You know, buy American. I
certainly think there’s a lot of room to support
the industry and help both incentivize it as well
as provide -- make it more competitive in
California and certainly here in the Salton Sea
region. I think it would be very interesting to
see how some of these traditional incentive
models, how they directly impact the
disadvantaged population. And what I’ve seen is
that there’s a lot of fly-by-night industry where
there’s a lot of incentives. But once those
incentives dry up and, you know, a lot of these
businesses tend to just pack up and move on to
their next project. And we have seen them. You
know? I’m not just making this up. I mean, we
saw with Biomass and some of the other industries
that haven’t really, you know, delivered on their
promise. So how these -- how can these -- I
would like to see if there is a way to tie these
incentives and whether there’s a greater
opportunities now, you know, as much as we know
and as much investment the Federal Government and
the state want to put into lithium, to make that
calculation. If we go one route, then we take,
you know, from the community. We go the other
route, then we don’t take from the community but
we incentivize the industry. Right? And then we
make this industry successful.

CHAIR PAZ: Thanks. I would like to see
in this area how some of these tax credits can
have a win-win both for the development and the
community. So the one that I’m most familiar
with is the enhanced infrastructure financing
districts, although I know there’s just a very
difficult negotiations that need to happen to
establish those between the different
jurisdictions. But I’m using that as an example
of an incentive that can help both address some
of the infrastructure challenges that were
presented during our last commission meeting when
it comes to roads or transportation. And those
are some of the same things that our communities
would benefit from; having enhanced roads, having
enhanced connections, connectivity, things like
that.

So in this area of analysis, I would like
to see sort of that kind of thought process;
where is it that some of these incentives can
have a double win both for directly improving and
enhancing the surrounding community, but also
allowing the development of lithium.

TERRA WEEKS: Other comments on this
topic?

COMMISSIONER SOTO: The only other thing
I would add, Tara, is -- and I don’t know where
it’s at. I’d have to check. But remember part
of the current jobs bill from the President.
There is a tax credit for freestanding solar or
freestanding storage. And it’s a little bit
downstream from where we’re at because it’s those
who actually deploy the storage. But, you know,
that is an incentive to invest in storage overall
and thus it could help to add an additional
kickstart to what we’re talking about here. Up
until now, storage has not gotten its own
independent tax credit. It has to be aligned
with or integrated with solar. So now we have our
own so that you could have commercial,
industrial, residential storage. And whomever
has that could get a credit for it.

CHAIR PAZ: Jonathan?

COMMISSIONER WEISGALL: Just FYI. Tom,
you’re right. The wind industry has become very
successful in the last 30 years, due largely to a
production tax credit, and the solar industry through an investment tax credit. And solar plus storage has that. And as Tom says, a standalone investment tax credit is probably coming for storage. I hope to work -- and it’s premature, but I do hope to work on a production tax credit for lithium production. It fits exactly the mold of what has made wind and solar and now storage successful. Much like, you know, we’re going to see an offshore wind production tax credit probably by the end of this year.

So, again, that’s something else to think about. That will be at the federal level and not the state level, but it’s one other incentive to think about.

CHAIR PAZ: Thank you. Luis?

COMMISSIONER OLMEDO: You know, one thing that I’ve been eager to share with the industry for quite some time is that I wonder if sometimes -- and again, this is -- maybe it will come up in conversations in the future unless, you know, there’s an answer for it. But sometimes I get the feeling that the industry feels, look, we’ve done enough. We’ve given enough to the community. And so it will be important to also
see the entire journey of these resources and
whether these resources just aren’t reaching the
community or where they’re getting stuck
somewhere where they’re not reaching the
community in terms of benefits. And, again,
benefits across the board.

But in all fairness, again, it’s just
sort of a sentiment and an observation and a
thought that I have had, that maybe the
geothermal industry feels, hey, we’ve been
investing and we have it here and we can show it.
And I would believe it. But we are living at a
time where we have been finding more and more
that there have been inequities, and those
inequities have resulted in disinvestment and
creating extremely economic disadvantages,
economic depressed areas, economic depressed
neighborhoods.

So I certainly continue to be
enthusiastic about the opportunities that come
with these conversations and how we get it to the
finish line.

Jonathan?

COMMISSIONER WEISGALL: Delighted to
share that data with Commissioner Olmedo. We
have 235 employees now. Our employee base is about 85 percent Latino. I mean, it reflects the demographics. 100 percent of our employees come from Imperial County, some from Riverside. But that’s the whole employee base. And our wages are 197 percent the median wage in Imperial County. So we pay about double the wage with complete health and retirement benefits. But, again, if you want that information, we’d be delighted to get that.

I think that there may be a need to clear the air here on some concerns in the community about what our geothermal industry does. I don’t have the exact figures, but I think it’s safe to say we’ve paid $45 million in property taxes in the last eight years, all for local community. So we’re very proud of what we do in Imperial County.

CHAIR PAZ: Thank you, Jonathan. I wanted also to mention in this area as we’re thinking about community engagement and having engagement as a through line throughout the different chapters, having conversations with the community about what if any is the impact of these tax credits on their communities will be
important. That way we can understand. And,
again, I don’t have very much -- and I’ll repeat
this. I don’t have much understanding of these
tax credits. But with infrastructure financing
districts, if it’s the different cities that are
reallocating part of their tax increment for a
specific project, so what is it that we’re saying
no to so that we can say yes to this. And I
think having those conversations with the
community so that they can understand and also
inform us about what that impact is going to mean
to them on a day-to-day and that we feel
comfortable moving in that direction, again, with
a fully conscious of what that impact is going to
be. And so that’s a particular area of interest
for me, but I also think it’s a very important
opportunity to be thinking about how we might
start engaging the community and some of these
conversations that may seem less -- maybe less
attractive for community dialogue.

And I see Tom’s hand up.

COMMISSIONER SOTO: And I can’t agree
with you more, Sylvia, because as deeply involved
as I am in the energy industry, tax credits
sometimes remain a mystery to me. And I think
the best way to promote how these actually conv
vert to improve quality of life is working w
ith the feds and the state and showing them c
omparables of other communities that benefitted.

You know, the first one that comes to m
ind of course is the entire fossil fuel i
dustry, which gets about $600 billion a year of s
ubsidies, tax credits, and so forth. And that’s a
sector that has built entire communities and e
conomics around certain regions of the country.

And so we are headed in the same d
irection. And because of the types of tax c
redits, production tax credits on solar and w
ind, we now see five million people a morning g
off to work in the clean tech industry, more than i
 fossil fuels and coal combined. And that’s a d
irect result of what Jonathan described. Having t
he type of production tax credits in place that h
elp to allow the birth of those sectors and help t
to gain the economies of scale.

So I think getting examples of where this h
as worked effectively to show the community that t
his is not a rip off of their resources in e
change for nothing. You know, it is a very g
ood, mutually-beneficial opportunity for the
scaling of regional economics in the Imperial Valley in exchange for a line and extraction sector to come in and sustainably prove out lithium as a factor of our future.

CHAIR PAZ: Luis?

COMMISSIONER OLMEDO: So just backtracking a comment from Commissioner Weisgall. I did want to let him know that I am very familiar with the good jobs that the geothermal industry provides. You know, very competitive jobs. But it also has a very large spectrum of the type of jobs that it creates. They’re not all great jobs, but I do recognize that there are. And we are a small community and many of our family members have worked there and appreciate what it does.

But I did want to clarify that, you know, there’s a whole series of revenues that are generated and that do end up in our community. And again, I don’t want to put the burden on the industry itself. I don’t want to be on the defensive and think this is about the industry. We have had projects out here that have gone through these same steps and the same journeys and end up costing our community tremendously.
Big, big dollars. National Beef being one of them. And the only people that ended up having to pay and still paying are the low-income residents that populate our neighborhoods, our communities.

So, you know, in order to avoid those types of costly outcomes, which again, we have seen, you know, bad outcomes, too many bad outcomes. So this is a great opportunity. I continue to say the same thing. It’s a great opportunity.

But I do ask the patience of the members, the patience of the industry, commissioners. Please know that any questions that I bring are certainly questions that are just intended to just be more informed and better understand it. And I want to support Madam Chair about getting more information. You know, we need to know more. We need to understand what’s the tradeoff and what’s the win-win scenario. Thank you.

CHAIR PAZ: Thank you. Are there any other comments on this chapter?

Terra, back to you.

TERRA WEEKS: Great. Thanks for that discussion. I think this is really helpful and I
think this feeds really well into the discussion on recommendations.

I’m actually going to suggest though that we take a quick break just because these meetings are very long and we’re all staring at small screens. So I might suggest we break if it’s okay with you, Chair Paz, and then reconvene to talk about recommendations at 3:00.

CHAIR PAZ: At 3:00. Okay. Just making sure, Tom, you’re still going to be here at 3:00, correct?

COMMISSIONER SOTO: Yes, I’ll be here.

CHAIR PAZ: Okay. Thank you.

(Break)

TERRA WEEKS: Okay. So thanks again for that discussion. I would like to now turn to the conversation around recommendations in the report. So I think it’s probably a little premature to really dive into this discussion around what types of or what specific recommendations we’d like to include in the report. We really just wanted to allow for a discussion mainly around the types of recommendations, if you do have ideas that you’d like to vet through this process, or other
questions around the recommendation development process. I think there could be an instance where we might not have a unanimous agreement across the commission on recommendations. So just kind of starting to think through what this chapter could look like and kind of how you’d like to see those discussions evolve.

So just reviewing quickly the statutory language for this section. It says recommendations for legislative or regulatory changes that may be needed to encourage lithium extraction from geothermal brines. And the one specific example it gives is including whether the development of a centralized tracking system for lithium project permitting by state and local regulatory agencies would assist with the development of the lithium industry.

So I think because we just had a robust discussion in incentives, maybe we’ll talk about recommendations outside of the realm of incentives and just see are there other ideas or types of ideas that you would like to explore.

CHAIR PAZ: Rod?

COMMISSIONER COLWELL: Yes. I guess kicking this off, this is starting to get -- so
we’ve dealt with tax. Yeah, legislative or regulatory changes. And I think that there’s probably three areas here that we could really -- you know, as a suggestion.

The first one would be, you know, California to administratively approve a new CEQA exemption for lithium projects using geothermal energy. That’s a piece of legislation that applies to solar and wind, but it somehow doesn’t apply to geothermal and lithium. So that would expedite the process.

Also the second part would be I guess GO-Biz or the Governor’s office could call the White House Council of Environmental Quality to declare Lithium Valley developments as high priority or major infrastructure projects for permitting streamlining and accountability. So if we’re starting to get into particularly related to tax where this is becoming a critical industry, which I think we all believe, hence we’re all here, is something that really the federal government could get involved in and really sort of help fast track and streamline the process. Encourage local, state, and federal support to establish Lithium Valley an opportunity or an enterprise
zone is what we’ve been sort of talking again a little bit, I guess, on the tax side is that, you know, incentivizes development of cathode and battery manufacturing over and above just lithium. So that’s the point I made earlier a little bit about the land tax exemptions or a proper enterprise zone.

So there’s three areas there that I’d just like to put out there just for consideration.

CHAIR PAZ: Jonathan:

COMMISSIONER WEISGALL: Tom, why don’t you go first? You may be on a time pressure. I’m fine.

COMMISSIONER SOTO: Sure. No, that’s fine. I’m good until about -- I think my call is at 4:00, which is a call between Japan and the East Coast. So there’s this tiny little window. You know, I think everything that Rod was saying is correct. Some of the points that Jonathan brought up with respect to next generation of thought legislatively. And what we may want to do is see whether there is an appetite on the hill with Vargas and others who sit on either appropriations, energy and
commerce, and who represent the area to come up with an omnibus bill that has everything from working with developing an enterprise zone to the production tax credit for lithium production and, you know, have a federal path to implementing what could be a much greater consideration for Lithium Valley to scale and scale much quicker under those types of incentives, for one, and do the same, frankly, with the State of California and see if we can get legislative support or PUC support to boost the Energy Commission’s capacity to maybe designate more specifically, like we have with the EPIC program, lithium production.

I think, Jonathan, you guys are somewhat the beneficiary of a small amount of that. Hopefully it could be more in the future. But there should be a little bit more of an exclusive play here given that the disproportional aspect of this being such an early stage startup sector, the CEC could really be critical in helping it to scale and become a meaningful specter.

We also have to keep in mind that there is -- you know, we talked about the DOE’s loan program, which Jigar runs, and a lot of DOE. But we also have great expertise. The former head of
small business for GO-Biz, Isabel Guzman, is now the head of the SBA. And, Rod, folks like you and others could be very well-qualified for some of the SBA benefits with respect to low interest loans. Maybe they could direct you to some of the SBIC funds that are looking to contribute to the clean tech sector.

So all of that said, maybe we should just explore three things, basically. Administrative remedies that could be done at the executive level through the White House, i.e. Office of White House CEQ, NEC, and others and Department of Energy, and then a legislative package at the federal level which would include all the things that we just discussed. And then the same with the state with a state legislative package that would amend CEQA to have less onerous review, as Rod was indicating, among other things. And then administrative with seeing whether we could get the PUC and the CEC to work with one another for an additional level of oomph for the infant baby lithium sector, production sector.

CHAIR PAZ: Jonathan?

COMMISSIONER WEISGALL: All great points. Couldn’t agree more. I am delighted that
representative Pete Aguilar on appropriations has been involved in this. Had meetings with him and staff, and he was able to get funding through Department of Energy on lithium research. Right after I met with Dr. Ruiz, who represents Riverside County and sort of the north part of the Salton Sea. The plants are, as you say, in Juan Vargas' district, but Ruiz actually discussed lithium with Secretary Granholm. In fact, last week she was asked about this at a hearing before the House Energy and Water Appropriations Subcommittee and specifically talked about the conversation she had just had with Dr. Ruiz on lithium. So this is -- this checks every box at the federal level.

I think that in terms of recommendations, permitting is critical. The last geothermal plant we designed and permitted took four years. That's not going to work for lithium.

Part of the solicitation or the grant that we won from the U.S. Department of Energy will include some funding to do the engineering and to begin the permitting to go commercial. But community support, going back to our earlier conversation both with Commissioner Olmedo and
Chair Paz, you know, community support, early engagement is going to reduce delays. State interagency cooperation and streamlining is going to help, as well as the community outreach that we’ve already held with our virtual town hall meeting and another one we’re going to schedule for July.

So I don’t have anything specific there, Terra, other than I think we just need to flag a permitting streamlining. And of course we don’t know today what agency would even permit a lithium plant. I think it’s going to be pretty obvious that it should be the Energy Commission since the Energy Commission has jurisdiction over any geothermal plant above 50 megawatts. And I would say we have a number that are 49.9 specifically to, you know, permit local permitting. But the four-year process with their big plant, that Black Rock plant I mentioned, showed the frustrations we had at the state level.

So I think it’s just worth flagging the need for streamlining permitting. That does not mean end-running CEQA in the slightest. But certainly deadlines are critical. Single point
of accountability is critical, things like that.

Nobody is talking about avoiding legal, you know, requirements and environmental reviews, but there really is a need to streamline the process assuming the industry is ready to go commercial. Those would be my thoughts.

CHAIR PAZ: Thank you, Jonathan. One of the points you made, Jonathan, about the importance of community engagement and support and how we -- you know, the sooner that we address that, the better it will be for the development of lithium made me think about a comment that I think Rod had mentioned before in terms of there being no pathway for the potential of royalties that could help restore the Salton Sea. And I know that that option and maybe think goodwill about dedicating some sort of benefit to the restoration of the Salton Sea has been alive from the very beginning of the conversations of lithium and lithium development from the Salton Sea. So some type of legislative recommendation around the ability for us to direct funding for the restoration. It’s probably going to be necessary. Whether it’s legislative or administrative, I’m not sure. But having some
type of recommendation around that.

Luis?

COMMISSIONER OLMEDO: On the topic of streamlining, in the two decades that I’ve been working on environmental justice, I haven’t really seen a very clear benefit in permit delays always translating into greater protections, whether it be the environment, public health, or greater community benefit. Exemptions though are another subject matter that often does result in having significant impacts. Right?

So I just wanted to just make that distinction that a lot of times delays in permitting or the involvement of environmental organizations because they weren’t brought in early, which I am very thankful to that level of agreement that the community and stakeholders need to be involved early on, that delays I don’t think benefit anyone necessarily. And I keep seeing messages about timing. And I think it’s clear that this is a once in a lifetime opportunity. Don’t want to see delays. Delays in permitting don’t always translate into community benefits.

So I hope that opens up kind of -- oh,
and another area of thought and perhaps even
agreement that that’s the last thing I would want
to see is delays and then be blamed on, well,
it’s the environment. It’s not always that.
It’s the bureaucracy a lot of times doesn’t move
things quickly enough. And there’s also a big
difference.

I know that -- thank you for mentioning
that geothermal right now operates below the
threshold that, you know, keeps it at the local
permitting. And, you know, there are some pros
and cons. And it goes back to the message I keep
putting out there, is that I like to see the
industry have a much larger conversation.
Historically we have had a few people or a few
hands that seem to be the ones that control the
permitting and manage all of that. That’s not
sustainable and that’s not a long term -- I think
big companies like those that operate around the
Salton Sea deserve a better opportunity for long-
term sustainability and better relationships with
the community. And that’s going to require a
much larger conversation.

So I do hope that this really transforms
the way that the industry operates out here for
the betterment of all.

CHAIR PAZ: Jonathan?

COMMISSIONER WEISGALL: Commissioner Colwell, you were the one who suggested payments to Salton Sea restoration at the last meeting. Do you want to outline what your thoughts are? Because I think we are maybe a little bit -- have a slightly different view. But I’d like to hear your thoughts.

COMMISSIONER COLWELL: Well, I guess the reference probably pertains to us more so than you guys, Jonathan. We are in the playa. The situation is a practical one for us, which includes the wider Imperial Valley all the way up (indiscernible). So, you know, close to 5,000, 6,000 of exposed playa is not exactly what we, our people want to work in as well. So whether it’s administratively or just by moving forward and doing community collocated work or whether it’s work with DWR, you have to be determined. But the point is, you know, there’s a large expanse of playa. You know, geothermal is a relatively low footprint, but it does actually open up the opportunity for other mitigants for playa, whether it’s ag use, whether it’s
(indiscernible), whether it’s actual habitat or a culmination of all of that is what we are interested in exploring. So whether it’s a per-ton tax or not.

But the main point was specific to dust and we are very cognizant of that issue out there. And that’s something that we’re quite keen to explore.

And for those of you who have been to Red Hill Bay, respectfully, you know, we’ve seen reports and ring binder folders. I mean, you can cover the whole bay with ring binder folders and it would probably be more effective than the work that’s been done.

So as a private business, I think we’re very capable of getting out there and assisting, working with communities and groups to deal, really tackle the issue, at least on our part of the lakebed, so to speak. So that’s where I was referring, Jonathan, and we’re pretty keen to take a proactive approach on that real issue.

COMMISSIONER WEISGALL: Yeah. Let me -- Chair Paz, let me just give you a couple of thoughts in that regard if I could.

I don’t know what your company’s
community investment activities are, Rod. But I
will tell you all of the Berkshire Hathaway
energy companies participate very actively in
community investment, scholarships, family case,
farm bureau, food banks, educational scholarships
and the like. We certainly will be increasing
those community investment funds if we’re
successful in our demonstration projects and we
move to full commercial deployment. Our plants
did not cause any problems at the Salton Sea.
They are adjacent to the Salton Sea, but they’re
not related at all to the Salton Sea. We’re very
good neighbors with the Sonny Bono Salton Sea
National Wildlife Refuge which is immediately
adjacent to our geothermal plants. I think we’ve
shown that this land can support both habitat and
geothermal and mineral production. We’ve worked
very closely with the Salton Sea Authority.

I think really the issue here is are we
looking at this industry all of the sudden
supporting Salton Sea restoration? I mean,
Governor Newsom I believe is now allocating $220
million for the ecological crisis of the Salton
Sea from getting worse. I would hope that
President Biden’s proposed $2 trillion or now
$1.7 trillion infrastructure program with 40 percent allocated for disadvantaged communities and with a clean energy emphasis could help. But those are not -- those are huge numbers. I’ve seen estimates of Salton Sea restoration also in the billions.

I don’t think it’s wise to start throwing out numbers for Salton Sea support when not one ounce of lithium has been produced yet. And I said earlier if all this exercise involves is producing lithium at a cost that is not competitive with the world market, we haven’t accomplished anything. We need to show as a company we know on our demonstration project what our limitations are from the California Energy Commission itself, which is to produce at under $4,000 a ton.

If you start from the get-go from not even -- you know, Tom, you’re right; we are in our infancy. We are in the top of the first inning right now with just a demonstration project for which we have not even broken ground. I mean, we will in a couple of weeks. But that’s where we are.

So I would just say it’s premature to
start talking about major Salton Sea restoration.
That’s a different topic. Community investment?
absolutely. Close relationship with Imperial
county, we already have that and we will greatly
increase that community investment as we spend
more investment dollars of our own. But I don’t
think that translates into any obligation of a
lithium industry somehow to be responsible for
cleaning up the Salton Sea.

CHAIR PAZ: I hear where you stand,
Jonathan, and where your comments are coming
from. And again, my -- it may be premature, but
I don’t think it’s out of the question. At least
in the hearing yesterday that we participated in
that came up. And it’s come up even before
(indiscernible). So it’s not something that I’m
putting forth as my idea, but it’s something that
has definitely been attached to the conversation
of lithium. And while it may be premature now, I
wouldn’t want to not explore what a possible
benefit to the restoration of the Salton Sea, if
any, and what might allow us to get there.

Luis?

COMMISSIONER OLMEDO: First of all, I
want to thank Commissioner Weisgall for his
constantly direct and honest explanations and
enlightenment of the situation of the industry
and its operation in the Salton Sea and basically
a very logical view of how things are and how
things should be looked at.

It is also a question that constantly
have me seeking a better understanding as to, you
know, years and years ago there was the push for
geothermal. And I get it, it’s a great baseload
energy, it’s sustainable. There are some
concerns that continue to bring at the
appropriate times and perhaps even the
subcommittees. But sometimes I feel it is
premature to be talking about geothermal or
lithium as being the driver of restoration in the
Salton Sea given that there are very, very clear
responsible parties and agreements that have been
in existence for the Salton Sea. And it should
not be these -- if this strategy then becomes an
economic opportunity for some of the land owners,
then I understand it. But the industry itself, I
don’t see it as the promise of the Salton Sea.
Those agreements have already been made and those
responsible parties have already been identified
and the resources and who is supposed to make
those investments have already been agreed upon and identified. Whether they’re following through with their commitments, that’s another question.

And I do agree that these benefits do need to reach our communities. I continue to repeat that I will continue to ask the industry members and the industry as a whole to broaden the conversation because it is one of the fundamental reasons why the majority of the population is not seeing these benefits. Because we live in a community that is disengaged, that is not involved, that perhaps will be very difficult for them to, even in the early stages or even through this entire process, to participate in the masses. So it really does put the responsibility back on responsible industry, businesses, and every member on this commission to assure that that voice, whether present or not, is uplifted and is part of the conversation and that the benefits truly reach the community.

With that, I also want to thank Commissioner Weisgall because it has been my suspicion that it would not be in the best interest of Berkshire Hathaway to play a role of
interfering with these hybrid projects, both habitat and the potential future speculation of lithium production and geothermal. And Red Hill Bay being a perfect case study that I would like to ask Madam Chair Paz and the commissioners that perhaps we can use Red Hill as an example as to what are some of those complicated scenarios that may occur because of these early conversations and speculations of lithium and geothermal.

Thank you.

CHAIR PAZ: Thank you. Frank?

COMMISSIONER RUIZ: Hi, everyone. This is Frank. I totally agree with Commissioner Olmedo and Paz. And although the lithium industry should not be held responsible for the Salton Sea, this issue already became part of the community's issues. And it is already an integral part of the community, some culture in a way.

So to have a discussion early on, to make sure that how can this industry benefit, this problem that already became part of the community. I don’t think it should be disconnected in any way from what is happening in the larger context of the whole community, I
think it will be beneficial to discuss it early on and the benefits or the impact. I really hope and I am very positive that the impact to the Salton Sea and the environment will be a positive one. But I think it is important to have these early on conversations, how can some of these revenues, how can these royalties benefit the Salton Sea directly. Obviously we are struggling to find the monies to even implement a ten-year plan. And currently we don’t even have a funding mechanism for operation and maintenance.

So I think even though this industry is not responsible for it, we already know who is legally obligated to take care of the problem. I think that having this early on discussion will definitely benefit how we proceed, how we go about this in the context of the benefits to the communities.

CHAIR PAZ: Thank you, Frank. Luis?

COMMISSIONER OLMEDO: Madam Chair, I’m sorry, did you say I can go ahead and speak?

CHAIR PAZ: Yes. Do you have your hand up? Yes.

COMMISSIONER OLMEDO: Yes. I do want to give support to Commissioner Paz and -- Madam
Chair Paz and Commissioner Ruiz. No, I fully agree with the early conversations. Where I come from, just my concerns is that this is a new resource, new revenues. Don’t want to make it convenient for those commitments and existing revenues that should be going to Salton Sea to be replaced. And these new benefits, I’d prefer to see them reaching the community that is least likely to have new resources.

I understand the opportunity to do the growth of the industry, the footprint that could help manage and mitigate dust, suppression type of infrastructure. I understand all those benefits. But again, I think we’ve seen where there are resources. And right now currently there is no transparency. We don’t know where those resources are going. You know, there’s DJPA dollars, the state has certain commitments, the landowners have certain commitments. And I wouldn’t like to get too far into trying to put this responsibility on the industry when these are new resources that are going to -- new opportunity for new resources for our community to decide where those resources are most greatly needed. And it could be the Salton Sea. I’m not
disputing that, by the way.

CHAIR PAZ: Thank you. Any other comments for this section? Okay. Back to you, Terra.

TERRA WEEKS: Great. And I think this is a good discussion to have and these are exactly the types of discussions that we can tee up in the workshop too to make sure we’re looking at the recommendations from all perspectives and really helping you to think through them as a group. And I think just in addition to what was already said, thinking through some of the downstream I guess opportunities, recommendations specifically to support the supply chain. And I think there was a comment in another meeting around really focusing this report just on supporting lithium development directly. So those may be out of scope. But just another idea to kind of throw out there.

So we are actually going to move backwards now, kind of going back to the beginning of this presentation. I think actually the three areas that we touched on, vision, incentives and recommendations, are really meaty areas. So I think some of these may be a little
bit brief. Hoping to get just high-level input and just being aware of time. I think we had allotted until 4:00 for this discussion. We can go a little bit over that because we don’t have that many more administrative items after this. But really just kind of want to brainstorm, get some initial input on where we’re going.

Okay. So next slide, please. Where are we? Okay, great. So this is the first topic listed in the bill and this is on furthering development of geothermal power. So the bill reads, “To look at actions that will support the further development of geothermal power that have the potential to provide the co-benefit of lithium recovery from existing and new geothermal facilities”. And then just going back to see who -- so we have Commissioner Olmedo and Vice Chair Kelley as the sub-body on this one. So maybe I’ll just pass it over to either of you.

MS. DE JONG: I don’t believe Vice Chair Kelley has joined us on the meeting or been able to join us again. So Commissioner Olmedo maybe.

COMMISSIONER OLMEDO: Again, I think there’s been so much conversation across the different areas. You know, I’m sure the
conversation we’ve also discussed supporting the development of geothermal power. You know, I think our goal is essentially everything that’s been discussed. It’s identify the opportunities and hear from all stakeholders, try to take advantage of whatever incentives are out there, tax type of incentives, and see how we can get this industry. You know, like I said, this is a once-in-a-lifetime opportunity to bring this industry, and not only support the geothermal development. And like I’ve mentioned earlier, I think there’s going to be a need for gathering a lot of information, hearing from the experts in the room, hearing from other, you know, independent researchers that can also help enlighten us and try to figure out what’s happening right now, what are the opportunities to make it better, what does the industry need to operate better, more efficiently, cleaner. And I understand that there are some facilities that have been around for a long time and some newer ones that operate much more efficiently. How can we get them all? You know, to the best, most-efficient model or better.

And again, I think that the industry has
operated here for a very long time. This is a long history. Again, it is my assumption just from what I’ve read and what I’ve seen, I’m really seeing the roadmap of how the revenues and the royalties of minerals, the spirit of what the legislation -- extraction, how that has operated and is it actively occurring and how lithium will be different from that. And again, at the end of the day it’s how can we put a plan forward that allows this lithium industry to thrive locally. Right? And it’s important. It’s understood, it’s loud and clear. So, again, once-in-a-lifetime opportunity and timing is of the essence. And we would hope that this commission is able to deliver a good plan that is agreeable by all. And I believe that it is possible.

So that’s my commitment as being part of this, and I will ask the members, again, for enlightening me as a commissioner as well as the community and all other experts that can help us develop this chapter. Thank you.

CHAIR PAZ: So I know -- and I see that Ryan Kelley has just joined us. But I know that there hasn’t been a lot of investment in geothermal power. And maybe IID, James Hanks
might have also some insight as to what are some
of the things that have limited the growth of
geothermal power.

So not to put you on the spot, James, but
when you are ready, I really think that the
experience that IID has had might be helpful in
this area. But I do see Rod’s hand up.

COMMISSIONER HANKS: Yeah. I’d be happy
to jump in there.

First of all, I would make this point
very clear, that the lithium deposits are not
just anywhere that you drill. And they are also
not found in every producing geothermal well in
Imperial County. It is isolated to, so far that
we know of, to the area known as the Known
Geothermal Resource Region, which is at the south
end of the sea.

Now, whenever we talk about expediting
projects and so forth, the first thing that’s got
to be developed is geothermal power. And there’s
a certain amount of the power that would be
needed in the recovery of the lithium. So first
of all, that kind of -- that’s going to help
offset the higher cost of geothermal just by
itself. So that’s going to be helpful.
With the incentives that’s being given to other types of renewable resources, it would give the impression that geothermal is more expensive. But if you start adding up all the additional costs we are fully aware of now with geothermal, about 4:00 or 5:00 in the afternoon in the peak, hot summers, the production of energy starts tailing off to the point now from about 5:00 to 10:00 we have a real tough time meeting demands, especially with shutting down the natural gas generators and so forth.

So there’s an opportunity here with investors to come in, off-takers of the lithium, to become involved in the geothermal production, too. We’re going to need that.

One of the biggest users of electricity in the State of California deals with the movement of water in the state. And a lot of that was being generated from the use of coal, and now the state generators. So this is going to be a big plus. It will be a big plus for the state to get involved and move this power to help move the water. It is renewable, it is 24/7.

There could be times in peak shortages that they could do some demand calls on some of this power
and help the state through those days. Sometimes
those days may only be five or six days a year.
But we’re being told for this year it may be a
whole summer, and I’m very concerned about that.

But these off-takers are interested in
the development of geothermal power, they’re
interested in getting it on their transmission
lines and getting it to other places in the
state. It helps build inertia in our lives
that’s needed to move the energy. So there’s all
types of co-benefits that will be provided by the
lithium recovery.

We have some existing plants that we know
have lithium in the brine. And once the R&D is
completed and we know the cost of recovery, I
think you will see an additional benefit because
I think that’s going to help in the pricing of
the energy that’s being produced and make it very
competitive. But you can’t anticipate just going
to drill a well somewhere around the Salton Sea
and hit the lithium. It is a very expensive
discovery in drilling the wells. You have to
find sufficient brine. And there’s hundreds of
millions of dollars invested that these
developers are going to need to recover their
expenses.

Now, as far as the Salton Sea and assisting in the restoration of the Salton Sea, keep in mind that all of this energy that’s produced, all of the off-takers that purchase the lithium, all of the associated businesses that come along with it, from the trucking to rail to possibly battery buildout, they all contribute to the revenue of the State of California. And someone mentioned that we all know who is responsible for the Salton Sea.

And I’ll just say this. Whenever there was a need to move the water out of the imperial valley, there was waves of regulatory folks that got involved. And I’ll just use the example of mining the All-American Canal. It was being challenged, it was tied up in court. Everything come to a halt. And Congress added an amendment to a very popular bill that had language in it, notwithstanding any other provision of law, that canal will be built. And the very next day, it was dismissed. All the charges, all the complaints was dismissed and the equipment finished that job.

On the negotiations on the QSA, it was
being held up because of the impact on the Salton Sea. And there was language that was put in to protect the IID and the residents here in Imperial County and the water district from the restoration costs. Also the impacts that would be created by the lowering of the shorelines and so forth.

So as it was mentioned, those impacts have been assigned and agreed to by those that recover those impacts. And that is separate from the lithium extraction recovery.

If there are impacts associated with that, then we should (indiscernible) the industry to handle any impacts that they’re responsible for. That’s part of the cost of doing business. But I think if we’re not careful and you start penciling into the bottom line -- and as Jonathan mentioned, there is a threshold that they’re expected to be able to produce lithium within that threshold, these all become additional costs. It dries that number up.

But on the other hand, the production of lithium, a successful program that we’re responsible to help set up, it will generate revenue to this state. And I’ve been very happy
with the efforts that Governor Newsom has made to
meet the obligation of the restoration of the
Salton Sea and move it forward. The federal
government has some responsibility. They will
have property that’s probably loaded in lithium
and possibly other minerals. And that may be
something to look at. But I look for them to be
an off-taker.

One of the bills that I’m watching very
close is one that Assemblyman Garcia is
sponsoring on a percentage of the lithium that
would need to be used in California. Now, I’m
very aware of the commerce clause in the
government, that’s the authority of the federal
government. But there’s also a provision for the
states to set certain criteria if it is to offset
costs of the production of -- whether it’s a
product or whether it’s produce, whether it’s
minerals. And by adding that in, that again will
help revenue in the State of California. All of
that becomes part of a revenue stream for the
state to fulfill their obligations on the Salton
Sea. And we can’t take that away. And I think
it would be unfair to our region if we put that
burden back on the region. The region has,
through the impacts of the water and so forth, we
have been hammered. We have been overlooked for
years.

In the development of the geothermal 40
years ago, there were some incentives that were
given and then pulled away by the courts. And it
made it very tough because the development at
that time was exploratory. It needed to succeed,
just like this lithium needs to succeed. And
once we turned that corner, it took about 30
years for geothermal because part of the
technology that they had to develop was different
alloys of metals that hold that brine, which is a
very, very tough source, very caustic, has to be
pumped back into the ground, and so forth. So
there’s been a number -- I understand there’s one
engineer has about 40 patents himself of
different improvements that have been made. So
we’ve got a leg up on that in moving forward with
the geothermal.

But this geothermal, there’s no reason
why we can’t expedite some of this and move it
forward and get the power flowing. There’s a
need for the power right now. And as the
technology is completed on the research and
development, everything will be in place and the brine (indiscernible) will be there. And I think all the way around there is a co-benefit. And from an environmental standpoint, I think that’s something that, yes, we need to be aware of it and we need to make provisions for it and we need to encourage it to be able to coexist with the development of the geothermal power and the lithium recovery.

And in the area of lithium, there’s improvements being made all the time. And I read an article today of another mineral that they can add to the lithium and extend the mileage in the electric cars, also helping the storage of energy. And that is another mineral that is available in this same area that down the road we have to get lithium booming and get it into the marketplace. And when we talk about five years, ten years or -- I think our leases and the landowners and so forth, it will reflect the benchmarks and requirements.

And that’s something now that this commission needs to be aware of. There are benchmarks that’s placed in these leases that these developers have to meet. And it’s a very,
very strict timeline. And we need to be sensitive and aware of what these are so that we don’t put up delays or barriers that would cause them to have to forfeit their lease or have it assumed by someone else after they have spent millions of dollars in the development and the research and the preparation for the effort that we’re involved in.

CHAIR PAZ: Thank you. James, I think you’re bringing up a very good point. And as you were speaking I had that same question. And maybe that’s something that we could add or identify in future discussions, Terra, around what those benchmarks are and what that threshold that both James and Jonathan have referred to when we’re talking about there’s a certain threshold that will make lithium more viable in terms of looking at the market and what it can sustain. But thank you so much, James.

Terra, you’re probably looking at the time. It’s 3:56 and there’s a few other people that I think wanted to comment on this section. So, Mr. Hanks, do you want a final thought on this before I hand it over to another commissioner?
COMMISSIONER HANKS: Yeah. I want everybody to be aware -- and I probably mentioned this before -- what the benefits of geothermal is to the community. I was a school superintendent for 20 years in Calipatria. And we were able to come in and replace our old, dilapidated buildings. And it was built -- affordability of it was based on the impact that geothermal had on our tax base in that region. One of the core socioeconomic areas in the State of California. And the tax base without that was very minimal. It ended up paying for 70 percent of the bonds for the school. And they were also very involved with our programs, our industrial arts programs, our business classes. We had a wonderful welding program where kids right out of high school had their own welding apparatus and vehicles that they had put together there at school. And they were ready to go to work.

So I know of the positive benefits and their contributions to the community. Thank you.

CHAIR PAZ: Thank you so much. Thank you for that. I think I saw Rod's hand up before Ryan. So, Rod, if you have -- do you still have a comment before I call on Ryan?
COMMISSIONER COLWELL: Yeah. I think Commissioner Hanks absolutely covered it well there. I was just saying simple terms, you know, furthering geothermal development was PAL purchase agreements. I note that the CPUCs made a move with the decommissioning of Diablo Canyon. And for the commission and the audience, we could -- the number-one geothermal resources are of Imperial Valley could replace Diablo Canyon. So I think PPAs is the big driver on the front end and to finance these expensive projects.

Director Hanks or Commissioner Hanks touched on -- you know, I think that the auto industry with its charging network where you charge your car overnight, geothermal is critical to that because it’s 24/7 as a renewable, not just -- you know, the sun doesn’t set on geothermal. And grid and reliability. That’s all I had to add, Chair Paz. Thank you.

CHAIR PAZ: Thank you. Ryan?

VICE CHAIR KELLEY: I only wanted to say I apologize for my tardiness. Events overtook me. But I’m here and ready to participate.

CHAIR PAZ: Thank you. Welcome.

Terra, I’ll hand it back to you.
TERRA WEEKS: Okay, great. So we’re approaching 4:00, which was our planned allocated time for this item. We still have quite a few topic areas to discuss. So, Chair Paz, I think I would defer to you. If you want to keep going -- you know, I think we can keep going for a little bit and still get all the administrative items on the agenda completed before 5:00. Or we could defer some of the remaining sections to the next meeting, or we could actually defer the rest of the administrative items and just keep going on this until closer to 5:00.

CHAIR PAZ: I’m looking for my agenda. Hold on.

TERRA WEEKS: I think we have Media and Legislative updates after this. Elisabeth, I don’t know if you want to hop in if you have the agenda in front of you.

CHAIR PAZ: I think we can keep going. I have it in front of me. We have legislative report discussions and then the determination of the agenda topics and speakers for future meetings. We can keep going maybe one more depending. One or two more.

TERRA WEEKS: Okay, that sounds great.
Were there other comments on this then? I think just thinking through how this revenue stream kind of ties back into lithium will be a conversation to be had. I’ve heard, I think it was Commissioner Weisgall talk about the lithium tail wagging the geothermal dog. So just kind of thinking through things along those lines. You know, what does that additional revenue stream actually look like. And I think actually having Commissioner Guzman Aceves’ input on this, too. You know, thinking about the rate-making process or what it actually looks like from the utility perspective. And I think having Commissioner Hanks on this commission is really valuable. But I just want to see if there are other comments. It looks like Commissioner Olmedo.

COMMISSIONER OLMEDO: Yeah. Again, I’m going to continue to drive on the message. The region is very rich in its natural resources. And you’re going to hear me say it again and again. The resources have been very poorly distributed and this is an opportunity to redistribute those resources, make the table much larger. And I cannot thank Assemblymember Eduardo Garcia enough for creating this first of
its kind here in our region commission to be able
to level the playing field for the region and for
all stakeholders, in particular the disadvantaged
communities which the wealth and the resources of
this valley have not reached them. And there’s
no reason and no excuse that the valley is in the
conditions that it is. The wealth gap is
enormous. It’s irresponsible. And we have to be
paying attention and supporting the development
moving forward. But responsible development,
equitable development. And you’ll hear me repeat
those words until we create the model. And not
only for here, for the entire state, the entire
country, and the entire world perhaps. Thank
you.

TERRA WEEKS: Okay. So why don’t we move
on to the next slide then, next topic. So this
is on market opportunities for lithium. There’s
actually no additional language in the bill. So
this one is a pretty wide open topic. So I might
see if Commissioner Dolega is on and wants to
maybe kick off this discussion since you’re on
the sub-body for this topic.

COMMISSIONER DOLEG: Yeah, sure.

Obviously this is kind of wide open. Some videos
that -- maybe if we want to subdivide this, I mean, the market opportunity for Lithium from a global perspective is fairly huge given the EB segment growth. We could divide this up into regional opportunities or if we wanted to focus on specific opportunities in North America and what that would mean in terms of other challenges in the space.

Sorry? Okay, sorry. I thought I heard somebody chime in.

And that would open up other challenges in terms of where that lithium could flow into North America given the fact that currently there are no cathode producers located here. So I think Rod was mentioning earlier what that means in terms of potential incentives to bring additional businesses into the region or into North America to be consumers of Lithium directly. And so that would be potentially one recommendation if we wanted to divide this into more of a regional look instead of just a global market for lithium.

The other thing that potentially this body could look at is there is a host of third party analysts out there that are studying the
total market, and there’s forecasts for EB penetration. So we can look at people like Benchmark Minerals that have done a lot of work with reports to the federal government on these minerals. And, you know, they could be potentially experts in the field in terms of showing what the total addressable market for lithium could be, especially as it relates to the EB sector.

CHAIR PAZ: Thank you. Jonathan?

COMMISSIONER WEISGALL: I’m not sure what we can -- I mean, I agree, Rod, I think those are good points. I’m not sure we as a commission can do -- we can’t come up with any new ideas on market opportunities. Benchmark minerals is -- they are the Cadillac. They are looking at lithium prices every day. They’re looking at markets, they’re looking at contracts.

I think the challenge for California -- you know, we need to make -- I think our job -- I don’t want to call us cheerleaders. Obviously we’ve had a robust discussion about related issues. But to the extent this commission does get comfortable with all of the challenges and barriers, I want to see us promoting domestic
production of lithium. That’s a huge plus for
the Fords and General Motors of this world. And
not just U.S. companies.

I mean, there’s an interesting article I
saw this morning about the upcoming elections in
Peru. And Peru actually does produce lithium,
and the recommendation from one of the financial
institutions about possibly pulling investments
in Peru because of potential nationalization of
the mining industry or exorbitant royalties. I
mean, you know, 40, 50 percent royalties which
essentially are nationalizing. So I think there
are some very important political things.

Ultimately what I’d like to see as a
recommendation, I want whoever is going to be the
governor of California to sponsor a reverse trade
mission to tout that California is now on the
map. I will tell you that in February, Governor
Sisolak of Nevada gave his state of the state
address, and he devoted some of his address to
Nevada’s lithium potential. I’d like to see
Governor Newsom and other top state officials get
on board with their lithium goals. I think
that’s the best we can do. We can’t make any
more private sector market opportunities that
aren’t already out there. You know, Tesla and Ford and GM and batter manufacturers and off-takers, you know, they know who they are. We just need to make sure that Lithium Valley gets on the map.

COMMISSIONER DOLEGA: Yeah. And I think I was more so going in terms of if the commission wanted to define how big the market opportunity is for lithium and how the Valley could fit into that. And just in terms of scope and size, we could set some boundary conditions I guess or at least some forecasts in terms of what the Valley could provide in terms of North American potential demand forecasts.

And so I don’t think there’s going to be a shortage of off-takers or where this lithium can go, to be honest, just given the size of the market. But it just depends on -- and my kid all of the sudden decided to start screaming in the background, so that’s good.

But I agree, getting lithium production up and running is going to be the key. And also supporting localized cathode production where there can be a consumer of this lithium so we’re not exporting it is going to be key to getting
this developed in North America.

CHAIR PAZ: Jonathan, did you have something else to add?

COMMISSIONER WEISGALL: Yeah, one more.

CHAIR PAZ: Go ahead.

COMMISSIONER WEISGALL: First of all, clearly your child has some views on this, and I think we may need to hear. You know, if he’s got something to contribute, I want to hear that.

Terra, I think of the things worth noting is Lawrence Berkeley National Labs wants to work on quantifying the amount of lithium in the Salton Sea Known Geothermal Reservoir. I think that’s important at least to reference. And we’ve made very clear as a company we would love to support that in any way we can.

UC Riverside has opined that the Salton Sea Known Geothermal Resource has the largest lithium deposit in the world. It would be nice to quantify it. So I think that falls under market opportunities. The fact that Salton Sea has at least a 75 if not 100-year supply of lithium, if not longer I think is another huge market opportunity. So I just wanted to flag that.
CHAIR PAZ: Thank you. Luis?

COMMISSIONER OLMEDO: I just want to add -- and I’m sorry, I walked away from my attention here. I don’t know if it was discussed already, but it’s important to recognize that while there’s supply and demand, market forces, policy is a big factor also in determining increased markets or new markets. And so I think that’s our task here, is to develop policy recommendations. And those policies could have an impact on new market opportunities for lithium.

CHAIR PAZ: Thank you, Luis.

TERRA WEEKS: I have a question to pose to the group. So from our perspective in Chair Hochschild’s office, we’re getting contacted by a lot of battery manufacturers and battery component manufacturers interested in developing facilities in California. And so I think it sounds like we are it sounds like most likely going to facilitate some kind of round table from the Energy Commission side to discuss opportunities. But I’m wondering if a similar discussion would be of interest to this group as part of a workshop potentially kind of bringing
in some more folks from various supply chain components to just discuss opportunities. You know, some of those who are already manufacturing in California and what their experience has been, and then maybe others who are interested.

COMMISSIONER WEISGALL: Great idea.

COMMISSIONER COLWELL: I agree, Terra. I think that the interactions at the moment is understanding the cost benefit to co-location, as I mentioned before. So I think that would be very, very helpful. And the numbers that are being touted around by not simply bagging lithium and moving it away, to actually collocating and running a pipe through a wall is just a tremendous savings for that industry. So I think that would be very, very helpful.

CHAIR PAZ: Thank you. Jonathan?

COMMISSIONER WEISGALL: Yeah. I think great idea. We’ve spoken to a couple of EB manufacturers. And I think that having a workshop like that under the auspices of the government of the State of California lends more credence and more support. So I think it’s a great idea. And we can go obviously beyond EB manufacturers, as we’ve heard from others. So I
think it would make a lot of sense.

TERRA WEEKS: That sounds great. And we’ll look at the Bagley-Keene issues. You know, I think if we could have all of you or some of you participate in the energy commission roundtable that we’re talking about, that would be fantastic. And then we can talk about hosting I guess an additional discussion through one of the workshops with the Lithium Valley Commission itself.

Okay. Were there other comments on this topic? Great. So moving right along, next slide, please. Okay.

So this one kind of ties back to the first topic, but my reading of it is it’s a little bit more grid-focused. And I do think this is actually an area where the Energy Commission can plug in here. But the topic is to examine the potential benefits of and added value to existing and new geothermal facilities and areas that contain mineral-rich brines for the state, Western Energy Grid, and the United States, including but not limited to grid stability, reliability, and resiliency.

So just looking back to see who is on the
sub-body for this one. It looks like
Commissioner Scott and Commissioner Hanks. And I
believe Commissioner Scott is not on, right? So,
Commissioner Hanks, do you want to kick off this
discussion?

COMMISSIONER HANKS: I think my comments
before kind of bled over into this. But I would
say this. Right now we need to put our full
concentration on lithium. But that brine is, as
it states here, is a mineral-rich brine. And I
think at some point in time as technology is
developed, it will extend much further than even
just lithium.

But if we develop sufficient geothermal
to get to the lithium development stage, we’re
going to see thousands of megawatts fed into the
system on the grid. And I can’t impress upon
everybody enough for them to know the batteries
that it’s going to take to keep our system
resilient is going to be a very large number.
Just about everywhere where you see wind or
solar, you’re going to see need for batteries.
And then beyond that, you’re still going to need
-- can’t get back to the inertia. And I really
need a technical person to explain the importance
of inertia into the grid.

But this -- you know, our task here is lithium. But beyond that it’s just mind-boggling of the richness of the brines that it’s going to bring to this area.

But the door to that is going to be the geothermal development and the lithium. And it will open up the other doors to the development of these other rich brines. And I don’t want to take us off the focus, but lithium needs its due. Its time is now. We have markets needing the lithium and we have off-takers looking in every corner they can in this universe to find a supply. And there’s no better supply than right here in Lithium Valley.

CHAIR PAZ: Thank you. Luis?

COMMISSIONER OLMEDO: Well, there’s no denying or argument in terms of the need for stable, reliable energy. You know, we see as we have a greater demand for -- or there’s policy. Again, going back to the market forces and policy driving the demand for lithium, for renewable energy. And it’s sort of bittersweet to hear the momentum around offshore wind because it’s great to see that, but the disadvantaged environmental
justice communities don’t live on the coast. You know? They live in areas like Coachella and Imperial, the Central Valley, San Joaquin Valley and many inner cities, oil producing areas. And certainly we would like to see that this type of energy succeeds and this mineral-rich brines that gets handled in a way that it produces benefits, and those benefits don’t have an impact on the local community. But far too often we’ve seen the exploitation of natural resources and disadvantaged areas leave a legacy of hazardous conditions and health impacts.

So as we talk about the benefits, it’s important to always continually tie it to the responsible operation, the responsibility of being good stewards to the land, of the environment, being good neighbors to the public. And I just can’t help but think that we have energy production here that is a public entity, and that’s IID. And we have what appears to be a very brittle infrastructure and it continues to generate sources of revenues. And I haven’t see, you know, a resilience fund, an environmental justice fund, a disadvantaged communities fund. And so, again, those conversations need
to be tied together. Otherwise, we repeat
history over and over. We need to support the
development of industry. We need to support
innovation in terms of how we produce energy but
at the same time I ask the commissioners to
really consider that we continue to tie them
together, because I think that’s how we’re going
to succeed in this opportunity before us.

CHAIR PAZ: Now, on the topic of the
infrastructure, my understanding was that one of
the challenges to additional geothermal plants is
the transmission lines. So I would recommend --
and I don’t know if it’s in this chapter or if it
belongs in another chapter -- but that we do have
an analysis and understanding of our transmission
lines and whether they can support the growth.

The other question that I have that I
think we should look into is whether -- you know,
lithium development cannot happen without the
geothermal plants. And we’ve been talking or
referencing the potential capacity at the Salton
Sea, how many years. Well, how many geothermal
plants will it take so that we can reach those
capacities?

And again, I don’t know -- at some point
we’re going to be discussing goals. I don’t know what our goals are going to be throughout time. But thinking about geothermal and lithium hand in hand and what that timeline is going to look like and what it’s going to require so that we can meet those goals that we set up is going to be an important part of this analysis as well.

Jonathan?

COMMISSIONER WEISGALL: No, I’m just saying we have stated publicly that our existing geothermal plants, which are about 350 megawatts, could support as much as 90,000 metric tons of lithium. Greenfield development could support another 700 megawatts of power which in turn could produce about 200,000 additional tons.

Now, again, the concentrations of lithium are not the same throughout the known geothermal resource, but that’s a ballpark idea. So we have stated publicly that at least under leases that our company has, we could go as high as 300,000 tons.

But your point is a very good one, Silvia. I think that there is a need to at least reference transmission challenges if there is to be more geothermal development.
CHAIR PAZ: Thank you. Rod?

COMMISSIONER COLWELL: I think Jonathan covered that. But basically for every hundred megawatts of geothermal, new build geothermal, that’s equivalent to 40,000 tons per year of (indiscernible) lithium hydroxide. So just as a number -- and Jonathan is right. You know, 300,000 tons and we’re in a similar capacity. So every 100 megawatts that’s procured from California, the grid, the offtake markets is really the driver, really the backbone to get lithium underway, will produce 40,000 tons per state. So it’s directly related. Obviously, you know, the tail is wagging the dog when it comes to revenues, but certainly geothermal really is and always will be the backbone to successful lithium production.

CHAIR PAZ: Thank you for that. And I appreciate your willingness to at least bring in all these things in this report. Because when we present it to the legislature, they’re not going to be experts in the field or have all the other -- or be looking at many other reports. So to the extent that some of this knowledge can already be reflected here, I would highly
recommend that we put in as much as we can that will be relevant to the legislature as we present the report.

Frank?

COMMISSIONER RUIZ: Yeah. It seems that geothermal will benefit big-time from lithium recovery. And we are encouraged to see that geothermal energy is a much cleaner energy and it will be (indiscernible), perhaps more affordable. And that’s the question that I have in the area about affordability. How can this benefit the community at large? Especially with climate change exacerbating the cost of cooling off their homes, how will this have an impact or an immediate impact to the nearby communities since geothermal energy will be perhaps more affordable and even more available to the region?

CHAIR PAZ: Thank you. Ryan?

VICE CHAIR KELLEY: Well, Frank, I’ll take the cue and I’ll jump right into something then.

So geothermal is the largest taxpaying entity of private property within the county. And as Jim mentioned, it’s helped Calipatria school almost make it to the goal line of being
self-sufficient without additional funding from
the State of California. The only school
district in Imperial County.

One of the things that I’ve already
started and shared with Silvia -- and I know it’s
later on the agenda, but I’ll just jump into it
because I’d like to get this into the
conversation. I’ve been looking at other
jurisdictions and county ordinances. And I’ve
written a draft and had a meeting within the
county on an ordinance on minerals. So a natural
resources ordinance. And we’re talking about a
fee or a tax, a general tax on minerals produced
in this valley. And I know that Rod and Jonathan
are probably grinding their teeth at this moment,
but I think that once we get to talk about it a
little more, you may see where there is a mutual
benefit in it. The money raised through this
idea would go into percentages towards
infrastructure and to mitigation conservation of
the land.

Now, we are still looking into what our
jurisdiction is and the authority. California is
different, but I’ve seen models from Washington,
Nevada, Utah. And I think it is important. I
heard Luis talking about something about
royalties being promoted by Eddie. I haven’t
read that yet, but that is a very good question.
Because royalties were shared on federal land
with the county at a greater share. And
California took that share and reduced the amount
that came to Imperial County. So I’m not sure
how that would actually filter down, to Frank’s
question, to the local community.

And we would hope maybe that through the
commission or through an independent, faster
track to get this on the radar with the
legislature if that’s the path to be able to give
us jurisdiction, the benefit for Cal Energy and
of CTR is that some of those conversations about
mitigation and infrastructure would be addressed
directly by this ordinance.

It wouldn’t be an obligation anymore, Rod
or Jonathan, it would be based on volume, tons
produced, that there would be a fee attached to
that. And this is open for conversation. And
according to the Keene rules, I’m going to
probably only be able to talk to one of you about
this in person. But I think this is good.

And for Luis and Frank in regards to the
community and for how it would address the needs of community needs and reflecting outreach and support, this would also be putting money back into the area. It would not be site-specific, but it would be putting money back into the area.

It costs us a million dollars a mile to build a road. Well, we’re just talking about -- you know, buildout for Jonathan, 700 potential megawatts. That would be 14 powerplants just at 50 megawatt per plant. That’s a lot of infrastructure. Not power lines, but roads and access to be able to get to those locations.

And as Rod knows, there are some roads that are already failing in the area. So I’m happy to share it with you. It’s a draft. It’s open for comment. But I think it’s mutually beneficial because you are hearing what the community-based groups are saying. You’re hearing what industry is saying. And I believe that one thing that you haven’t heard is that the County of Imperial, although we do benefit from the property tax and the leasehold improvement on ground up there, we would not benefit very much on new development on federal land. And if the State of California, which we’ve advocated for,
whatever percentage, and the federal government
giving their royalties towards local development
and infrastructure, then there’s another
correction. But not hearing anybody respond to
those questions, we should take things in our own
hands. And that’s where we’re at.

So I’m bringing it to you, and I think it
would also ask for some allowances on CEQA to be
able to use this information to be able to share
in CEQA how certain mitigation efforts are being
addressed.

CHAIR PAZ: Thank you, Ryan, for sharing
that with all of the members. Are there any
comments? Jonathan?

COMMISSIONER WEISGALL: Look forward to
speaking with you, Ryan, and looking forward to –
- let me leave it at that.

VICE CHAIR KELLEY: Let me just add one
other thing. So we’ve had an internal
discussion. I’ve talked to Silvia about it and
with Terra and Elisabeth, and I can’t remember
who else was on the call. But we will -- I’m
going to start my process of engagement and
development and we’ll reach out and create a work
group and start bringing product back on this
And I am encouraging all of you that have something that’s going to be more of a deliverable item that we can participate in, that you start. You start working in that way rather than having more conversations about what the potential is and what the great things are, let’s start moving this thing along. And I challenge all of you to make it happen.

CHAIR PAZ: Thank you. Rod, did you have something?

COMMISSIONER COLWELL: I look forward to catching up, Ryan, in the next week or so. I’ll reach out separately. Cheers.

VICE CHAIR KELLEY: Cheers.

CHAIR PAZ: Thank you. If there are no more comments, I think, Terra, maybe this is a good spot to pause until the next meeting.

Oh, I see Luis’s hand up. Luis?

COMMISSIONER OLMEDO: Is there time for a quick comment on this?

CHAIR PAZ: Yes.

COMMISSIONER OLMEDO: I was just going to agree with Commissioner Kelley. We need to -- and I brought this up. State lands or -- in this
case state lands opening for lithium -- I’m sorry, for geothermal exploration. And certainly, you know, their business models having these royalties go back to their states -- for the state to use, you know, in their pension funds or others. If I recall correctly, reading that information in their plans. I believe that those -- you know, I don’t know if it’s necessarily say don’t build on state or federal, but I think we have to make the best land use decisions. But certainly assure that the state and the federal government operate by the same rules. You know? They’re opening their land and our communities to making sure those benefits stay in our community. And certainly whatever share goes to state and federal. And certainly they have a right to that, too. But just to take, you know, off the top the benefits that should stay here. Certainly not in support. And I agree with Commissioner Kelley on his comments.

CHAIR PAZ: Thank you. I know we are running out of time, and I see a couple hands. So I will ask you, again, to briefly get to the point so we can move on. We still have a couple items we would like to get to.
James and then Jonathan.

COMMISSIONER HANKS: Did you say James?

CHAIR PAZ: Yes, please.

COMMISSIONER HANKS: Yeah. I would just like to add to the comment of Ryan. I think one of the things that we have to look at for the local community is not just the resource, but the end product. It’s very critical that the ancillary businesses be located here. And that’s where the value to the county and to our different programs that come from the cell stacks and so forth on the end project from these resources.

I think, again, I get back to what is the benchmark that we have set. If it’s $4,000 per ton, then we have to keep it under that and we have to look at the other issues. You can’t just look at it as a resource coming out, a raw resource. Because there’s all types of costs in producing that. But it’s going to be very important that whether it’s development of the batteries or whatever product that comes out, that that be looked at so that you can keep the cost of the recovery within the guidelines.

Thank you.
VICE CHAIR KELLEY: I would like to offer that what Jim said is absolutely true. And our intent is that if the material is shipped out of this county, that natural resource, that the fee is higher than if the material is kept within the county and a value-add finished product is produced in Imperial County. And that’s open for conversation, too. But we want to encourage that manufacturing, that finished product to occur in the same place it was drawn from.

COMMISSIONER HANKS: Agreed.

CHAIR PAZ: Thank you. Jonathan?

COMMISSIONER WEISGALL: This is hardly the place, three hours into the meeting, to talk about royalty payments to Salton Sea, restoration royalty payments to Imperial County, taxes to others.

I will just say that as a company as we look forward to lithium production and hundreds and hundreds of high paying jobs, we are competing against Chile, Argentina, China, and Australia. Those are pretty hard companies to compete against, especially when you’re talking about raw commodities. If we can’t produce lithium on a cost-effective basis, we’re wasting
our time, period. Thank you.

CHAIR PAZ: Thank you, Jonathan. And I want to mention that we are going to have difficult conversations in this commission, right? And it doesn’t mean that the way sometimes things are presented are going to be the way in which we end. But it’s important for all of us to be able to express both where we’re coming from and ultimately believe that we’re all coming from the same place, that we all want to achieve something that’s good and lead the process of lithium development in the best way possible, both for the communities, for the state, for the nation globally with the industry as partners.

So I just want to encourage us to be as open to hearing each other’s sides. We all come from a different perspective. But I have no doubt that we’re going to be able to reach a good end product at the end. And that’s not going to happen without having difficult conversations.

So, again, I want to thank Ryan for bringing this topic up and also for the willingness of everyone else to listen, express the areas of discomfort, and then be open to a
discussion about how can we make this a win-win for everybody. That’s the only way I think we’re going to make progress. So, again, thank you. And I’ll hand it back to Terra, but I don’t think we have the time to finish all of the discussion on the sub-topics.

So, Terra, do you want to tell us sort of what to look forward or how this is going to continue?

TERRA WEEKS: Yeah. First I just want to say thanks for this discussion. I think we got a lot of insight into thinking through the outline. We do have three more topics. So I guess we’ll just continue this at the next meeting. So we’ll talk about the technical and economic challenges, looking at different methods of lithium extraction and how the Salton Sea would compare to traditional methods. And then looking at potential economic and environmental impacts. And that will include the workforce conversation, which I think will be a big topic, too. So I think we’ve made it pretty far in this meeting. But we’ll just move those topics to the next meeting.

So with that, Chair Paz, I’ll hand it
back to you to go through -- I guess we’ll recommend that we defer the media and legislative updates to the next meeting, but we can still have the discussion around agenda items for the next meeting. And then we would like to still do a public comment period.

CHAIR PAZ: Yes, that’s perfect. And I believe there is a public comment just on what we’ve been discussing as well. So, Elisabeth, I’ll hand it over to you to open up the discussion for public comment.

MS. DE JONG: Thank you so much. So as we move into public comment, if you are joining us by Zoom on the computer, please use the Raise Hand feature. If you’ve called in, please dial *9 to raise your hand and *6 to unmute your phone line. First we’ll go to those hands raised in the Zoom application, then the phones if there are any. And then if there are written comments that we’ve received in Q&A.

So I see a hand raised. It says T-R-U-N-G-E. I’ve gone ahead and allowed you to talk. You should be able to unmute yourself.

Okay, while we wait for that listener, I do want to give -- there was one other hand
raised by Orlando Foote. I have gone ahead and
given you the permission to speak as well, if you
want to unmute yourself.

ORLANDO FOOTE: Can you hear me?
MS. DE JONG: We can, yes.

ORLANDO FOOTE: Very good. A couple of
things. Number one, comments that have been made
in particular by Jonathan Weisgall as well by Jim
Hanks are very well taken. The treasure here is
truly the geothermal production itself. And the
other things that are related to it have kind of
come and gone.

Lithium I think it’s fair to say is
generally accepted to be the handmaiden of
geothermal. But we still have to recognize that
the pricing of geothermal is really what drives
the entire process. And in particular, the
comment that geothermal has to stay competitive
from a pricing standpoint is essential.

A perfect example of this is the
difficulties that have been experienced by
geothermal by being subordinated to solar
production in terms of the taxing activities of
local government. They were hung out to dry in
that regard.
But I just want to emphasize based on my own experience and also negotiating geothermal and mineral extraction leases for many number of people for a long period of time, including IID for that matter, that geothermal is truly the core industry other than agriculture that needs to be -- needs to receive as much care, attention, and support as possible. That’s it.

MS. DE JONG: Thank you so much. I wanted to check in real quick -- sorry, I can’t tell what your name is, but it says T-R-U-N-G-E. If you are able to unmute yourself, please speak.

Okay, so then --

MARIELA: Hello?

MS. DE JONG: Yes. If you want to go ahead and make your comment.

MARIELA: Oh, hello, everyone. I don’t know if that’s the correct person. I’m Mariela. I don’t think I’m the T-N-U.

MS. DE JONG: Oh no, please go ahead though.

MARIELA: Okay, thank you. Thank you, Elisabeth. I am with leadership counsel. And my comment is based on the conversation that happened in the very beginning of this section.
I just wanted to bring to this group the experiences that we’ve had with the community. The community has been very interested in learning about the future of lithium in the Salton Sea. We have actually received a lot of questions on this topic and community coming to us wanting to get involved. In our most recent community meeting, they actually expressed their interest in attending these commission meetings. However, they were not accessible to them because of language but also time.

So I’m glad to know that you guys are working with CSE, which I think I heard earlier, to provide translation. But if there’s a way to also make it time-accessible, that would also be great. Thank you.

MS. DE JONG: Thank you for your comments. Without seeing other hands raised, I’ll turn quickly to the written comments that we received in Q&A. And this one was submitted by Michael Marsden in regards to the incentive item.

“Time is often more important than money incentives. To accelerate the regulatory approval times would be a tremendous incentive, added incentive of fast regulatory approval that
would shorten the development time.” And then a
follow-up that just says, “Time is often more
important than money”.

And we have another several comments here
from Victor Beas. It says, “I applaud the way
this commission is constituted, very balanced in
its representation. I think it is a great step
forward that the California plans and the Biden
Administration seeks to promote the use of
electronic vehicles, but we must be sure that it
is done the right way for the benefit of all, not
just private industry.

“The legislative subcommittee where Mr.
Weisgall, who represents a company that is not
only involved in energy, but in real estate
business around the Salton Sea, looks like a
(indiscernible) business, or the incentive
subcommittee with Mr. Colwell seems very
strategic for the industry. That is why the work
of Mr. Soto and Ms. Guzman is key.

“Inappropriate CEQA exceptions should not
be allowed. Tax avoidance incentives, tax
credits for industry (indiscernible) that they
generate an industry that benefits the
environment. We need taxes to directly benefit
the communities around the Salton Sea.”

Another part of this comment says, “We need the community to know what is going on in their back yards. We need a local production and supply chain that benefits both the industry and the community on a permanent basis, not just generating hundreds of thousands of temporary construction jobs that after a couple years will be unemployed. I believe that together, the community and industry can do great things to make a win-win.”

And there was one final thought on there in support of the Spanish translation.

Okay. So let me really quickly turn to see if there are any additional hands raised. I don’t see any. Okay. We are all done with the public comment for this report discussion. We can go on to the future meetings topic. Chair Paz, if you’d like to kick us off.

CHAIR PAZ: I was speaking and I was on mute. I will borrow from Vice Chair Kelley’s comments around using the next agendas to start bringing things forward that will help us move and shape the activities of this commission. So this is an opportunity again for us to start
brainstorming where are we ready to start and how
can we start scheduling those deeper
conversations and start producing products, you
know, drafts, things of that nature.

So with that, I am open to any ideas and
recommendations of where we might -- where do we
want to be by the next meeting? Rod?

COMMISSIONER COLWELL: Yes. Chair Paz,
as I proposed earlier, with your okay or the
commission’s okay, we can put together a high-
level -- you know, there where Lithium Valley,
what it will visually look in five to ten years.
Development timeline of a successful Lithium
Valley basically in some sort of Gann chart, the
clean energy and auto hub visually and the
strategy around train and maintain clean energy
jobs. I think one of the previous comments
about, unlike solar, this industry will beyond
just construction maintain a very long workforce.

So we can visualize that if that’s
appropriate.

CHAIR PAZ: Thank you, Rob. Luis?

COMMISSIONER OLMEDO: I assume we have a
technical writer. But is that -- am I to assume
that correctly? And the committees will all have
a technical writer?

CHAIR PAZ: Terra, can you answer the question about how the writing and the support that the CEC is going to be providing as we approach each of the subtopics?

TERRA WEEKS: Yeah. So the framework report -- what is it called? The report development framework document that we sent out ahead of this meeting should provide some clarity on that. But essentially we are assembling a team on the energy omission side to provide technical writing expertise. So we will help you write the report. But just to be clear, we’ll write it with your guidance. You know? So I think we’re really trying to not impose our own views as the Energy Commission. This is your report. So we are here to support you and we’ll actually write up the sections for your review. But just want to make sure that we’re capturing your input and discussions.

And so just on the point around the next meeting. So I think if it’s okay, we’ll continue this conversation, review those last three topics.

I think we probably won’t have a fleshed-
out outline for review until we finish that
discussion. So I think that might be getting
bumped one more month. But I think it would be
helpful for us too to start thinking about
workshops. And so we talked about each sub-body
kind of coordinating one, possibly two workshops.
So that might be another suggestion for
discussion.

COMMISSIONER OLMEDO: Just for clarity,
may I, Madam Chair?

CHAIR PAZ: Go ahead.

COMMISSIONER OLMEDO: So was the answer
yes, we have a technical writer or we don’t have
a technical writer? I guess that was my -- I
appreciate, Terra, the Energy Commission’s
support and staff support. The role of a
technical writer is a very specific trade and
many times is an independent facilitator that
comes with a background of both technical writing
and also within those themes often either the
capacity lives in one person or a team where
there’s conflict resolution as well to assure
that it’s not just about taking notes and
writing, but it’s about facilitating the dialogue
and then assuring that that’s getting put in a
document in a well-facilitated, well-balanced manner. Is that the kind of support we’re going to be getting from the Commission staff?

TERRA WEEKS: Yeah. So we have a number of technical writers. We don’t have unlimited resources, but we are assembling a small team. It looks like we’ll have one staff who is a PhD. He is very technical, has written a lot of reports. I’ve done quite a bit of technical writing myself. And then we’ll have other subject matter experts from the commission help develop certain sections. So we’ll have folks from our R&D team who are really familiar with battery manufacturing and battery supply chains, you know, assist with that chapter. We’ll have folks from our fields and transportation division weigh in as well. And then as needed, we can pull in some folks from our Energy Assessment Division that’s doing long-term electric grid planning. So kind of thinking through some aspects around geothermal benefits and actual grid impacts. So things along those lines.

That being said, we don’t have specific expertise in Lithium Valley per se since it’s a new topic. And if there is specific quantitative
information or analyses that you would like to be
done, I think we would need to talk about
bringing in a consultant in thinking through
potential resource streams to support that.

So we are assembling a team of technical
writers essentially to help with this project.
But if there’s specific analyses that you’re
looking for that we may not be able to provide,
we can have that conversation and think through
options.

COMMISSIONER OLMEDO: Thank you, Tara.

Madam Chair, I’d like to recommend to the
commission members and the Energy Commission that
I think we will need the support of a moderator,
of a conflict resolution type of consultant, you
know, with the level of leadership that’s in this
commission. I think we all can use a little bit
of that if we’re eating up too much space or
things just become difficult to move those types
of facilitation. It would help us be more
successful. I have seen it and I’m sure all of
you participate in many of these endeavors. I
have never seen it where we’ve been able to be
successful without that type of expertise in the
room. Thank you.
CHAIR PAZ: Thank you, Luis. And you bring a good point. These are conversations that I have raised to the CEC staff about having somebody who could facilitate in those resources. And really I think, Terra, we’re listening to Luis. And where I’m coming from is we wouldn’t want to put also like the CEC in a position where you are having to facilitate and negotiate and maybe feel uncomfortable because you are representing the CEC and not -- you know, uncomfortable not because you’re not, but uncomfortable of not being seen neutral. And I think that’s where Luis is coming from. And as you heard, there are different topics that are going to make some of us more or less passionate, more or less comfortable discussing. And having somebody who can be neutral, who can help us get to a resolution, compromise maybe even on how this commission is going to be moving forward is needed I believe as well.

So it is -- and this is probably not some that the Commission can tell us what to do. But maybe for us as the Lithium Valley Commission, it is budget time. And if there is a request that we need to make, I think we need to move on it
quickly. Maybe, I don’t know, through Assemblymember Garcia’s office or others. But that’s a thought. I think if that’s how this commission feels, we do need to put in a request fairly quickly.

And I see Ryan and then James.

VICE CHAIR RYAN KELLEY: I was just wondering. So I know that conversation, Silvia, you had brought that up already. And I was under the impression that that was a nonstarter. So I support it if there is some kind of staff to help with the work groups. That’s fine. I just would rather have an answer quickly than later.

CHAIR PAZ: Correct. James?

COMMISSIONER HANKS: Yes. On determination of agenda topics and presentation, I think now might be a good time if we could get our geothermal experts to give us an indication about how many megawatts would be needed from say a 49.9 megawatt generator for the lithium recovery and whatever parasitic load that they may need with the geothermal. And also if they could kind of give us a rule of thumb about how much water they’re going to need, I think that would be good information. And take one more
maybe estimated number of employees that would be
associated with a 49.9 megawatt geothermal and
the associated recovery of lithium with it.

Thank you.

CHAIR PAZ: Thank you. Any other
comments?

Okay, so it’s looking like for the next
meeting, we will finish doing our deep dive
conversation on each of the sub-topics. And
there are some potential (indiscernible)
information, I don’t know if it’s a workshop, but
the things that both Rod and James brought up I
think are -- it’s already information that’s
going to be helpful for us to capture in the
report. So to the extent that we can start
capturing and have someone drafting and capturing
all of that. I just wouldn’t want to jump into
it if we’re not ready. So maybe that’s a
conversation that can happen in the planning of
the agenda for the next meeting with Elisabeth
and Terra and the CEC staff just to make sure
that, again, we are ready and that these
conversations are now leading to the creation of
some material that is going to be useful for all
of us.
And if there is no objection from anybody in the commission, I would like to then proceed on having a conversation both with Chair Hochschild and with Assemblymember Garcia’s office around the topic of resourcing the commission with a consultant that can help us both with the technical writing, but the facilitation of the conversations. Okay. All right. I think we are ready then for -- I think there is a public comment. So the public comment will be around the determination of future agendas. Elisabeth?

MS. DE JONG: Yes, thank you. So if you are joining us by Zoom on the computer, please use the Raise Hand feature. And if you’ve called in, please dial *9 to raise your hand and then *6 to unmute your phone line. First we’ll go to those hands raised in the Zoom application and then the phones. And I do want to point out that immediately after this we would go into a general public comment period as well. So there is a good amount of opportunity here.

I see a hand raised from Orlando Foote.

You should be able to unmute yourself.

ORLANDO FOOTE: Can you hear me?
MS. DE JONG: Yes.

ORLANDO FOOTE: Okay. One final comment or suggestion with regard to the dispute resolution. It kind of jumped out at me. But it seemed to me one thing you might want to seriously consider is hiring somebody who is a professional alternate dispute resolution mediator or someone with a background. And I don’t want to in any way diss the CEC, but I would suggest that it probably should be somebody other than an ALJ from the commission. Probably somebody maybe in the private sector that is experienced in this area. But I can certainly see a vast potential for disputes from a philosophical, political perspective, just completely disregarding the economic components.

So I would encourage you to seek out an ADR if not from the -- perhaps from an independent public source or even from the private sector. Okay? That’s it.

MS. DE JONG: Thank you. All right. I don’t currently see any other hands raised.

Let’s check for any written comments. I think that’s good.

So we will just glide right into the next
just general public comment period. And this is open for any public comments not pertaining to a particular agenda item. So please go ahead and use that Raise Hand feature either in the Zoom app or by dialing *9.

Chair Paz, I’m not seeing any public comments. So would you like to move to adjourn?

CHAIR PAZ: Yes. So thank you, everybody. Great discussion. And, yes, I have a motion. And I don’t know if we need a second, but the meeting is adjourned at 5:07.

(Off the record at 5:07 p.m.)
CERTIFICATE OF REPORTER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

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IN WITNESS THEREOF, I have hereunto set my hand this 8th day of July, 2021.

[Signature]
MARTHA L. NELSON, CERT**367
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IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of July, 2021.

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Myra Severtson
Certified Transcriber
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