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Description:	Recommendations Regarding Lithium Valley and the Salton Sea Region Letter undersigned by Leadership Counsel for Justice and Accountability, Sierra Club California, Pacific Institute, Audubon California, Loma Linda University School of Public Health, Youth Leadership Institute, Alianza Coachella Valley, Executive Officer of United For Justice Inc., and area residents
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May 4, 2022

The Honorable Gavin Newsom Governor, State of California 1021 O Street, Suite 9000 Sacramento, CA 95824



#### RE: Recommendations Regarding Lithium Valley and the Salton Sea Region

Dear Governor Newsom,

On behalf of the the undersigned organizations and community residents working collectively across the State of California to ensure the meaningful protection of the Salton Sea, wildlife, and surrounding communities, we call on you to ensure that any development of the "Lithium Valley" in this region includes the following recommendations:

- 1. Lithium extraction and processing must not move forward without thoroughly informing the public of its potential impacts.
- 2. Ensure that no subsequent industrial development and logistics infrastructure negatively impacts public health and the environment.
- 3. To ensure no harm to the local communities in the Salton Sea region, the state must require full environmental review of lithium development and conformity with environmental laws, including the California Environmental Quality Act (CEQA) and water quality and supply law and policy.
- 4. "Lithium Valley" development must benefit, and not detrimentally impact the Salton Sea and surrounding communities.
- 5. Ensure the decision-making process is equitable, inclusive, community-led, and informed by resident priorities and data-based findings.
- 6. Agreements regarding community and Salton Sea investments and benefits related to "Lithium Valley" must be informed by residents to ensure they meet community priorities.
- 7. Ensure that a proper allocation from the incentives, royalties and taxes is directed to the Salton Sea to provide habitat restoration, multi-benefit infrastructure, and community amenities as informed by residents.

These recommendations are based on consistent and direct feedback from community residents across the Salton Sea region. We urge you to take this into consideration throughout the process to develop "Lithium Valley" and reflect these recommendations in the final state budget and beyond.

## 1. Lithium extraction and processing must not move forward without a full and transparent assessment of potential impacts to health and safety.

Advocates and community residents have asked continuously for detailed information on the potential impacts of lithium extraction and subsequent development. Concerningly, agency and industry interests have responded to these questions by offering a comparison to other lithium extraction practices around the world or describing it as a closed-looped system without offering a detailed description of the lithium extraction process proposed in the region and its potential impacts. This level of detail and information is not adequate to make informed decisions. There must be an accessible and transparent practice for sharing information derived from data and non-biased sources.

Prior to moving forward with programs, incentives, and policies that encourage and facilitate lithium extraction, the state must provide to the public in a timely manner accurate and accessible information regarding lithium and geothermal energy, potential risks and impacts to public health and the environment of lithium extraction and subsequent uses, and a subsequent strategy for putting in place mitigation measures that will eliminate any potential impacts.

# 2. Ensure that no subsequent industrial development and logistics infrastructure negatively impacts public health and the environment.

The federal, state, and local government has proposed development of a localized supply chain, including vehicle manufacturing, battery manufacturing, recycling facilities, expanded geothermal energy facilities, and the transportation of material as complementary development to Lithium and other mineral extraction. However, to date, there has not been any review, analysis or public consideration of the impacts from these developments.

The Salton Sea region is a direct neighbor of the Inland Empire that already experiences significant environmental and public health impacts due to the massive logistics industry. This region serves as a prime example of how industries can harm low-income communities and communities of color in particular. While this development brings the promise of new jobs, we have seen in the Inland Empire that these jobs tend to be of poor quality, low wages, and only temporary sources of employment that are also rapidly being automated. Residents across the Inland Empire have fought courageously to protect their communities and prevent this industry from further polluting their neighborhoods. We fear that the expansion of the logistics industry into the Coachella Valley and the southern border region will compound the environmental and public health crises, and chronic underinvestment in the region that we are already facing.

Further, the localized supply and manufacturing chain will have a dramatic increase in critical air pollutants in a region already severely impacted by poor air quality. As described in the Environmental Impact Report for Energy Sources ATLiS project, "[b]oth project construction and operations have potential to create emissions that result in a cumulative considerable net increase of criteria pollutants which the region is in federal and state nonattainment, namely O3,

PM10, and PM2.5." As AB 617 communities and a region classified as nonattainment for various criteria air pollutants, we must prevent future air quality deterioration.<sup>2</sup>

To avoid negative impacts to communities, the state and local government must review and analyze the scope of environmental and public health impacts from the full lifecycle of lithium extraction and processing and ensure that this review and analysis is transparent to the public and provides for meaningful public input. Furthermore, it is important to ensure that there is active and adequate monitoring of any and all impacts to air quality and all monitoring data must be made publicly accessible to the local community.

3. To ensure no harm to the local communities in the Salton Sea region, the state must require full environmental review of lithium development and conformity with environmental laws, including the California Environmental Quality Act (CEQA) and water quality and supply law and policy.

We believe that the health and protection of people and the environment must come first. Therefore, all components of lithium development in this region must be thoroughly researched and disclosed to the public to understand the potential impacts from this new industry and ensure that land use, economic, and environmental decisions are made in a fully informed and transparent manner.

Due to these uncertainties around the impacts from lithium development, we do not support any executive or legislative action that undermines the environmental review process for any current or future projects or proposals regarding the development of Lithium Valley and geothermal energy expansion. For example, we urge the state to reject the request from Imperial County for an exemption for individual lithium-related projects from CEQA that denies a robust analysis of the direct, indirect and cumulative impacts of lithium development and other related lithium production and processing development.<sup>3</sup> To set a precedent for all industrial development to operate transparently and fully comply with the necessary environmental review process, we urge you to require all geothermal and lithium-related proposals to comply with all state policies and laws, including CEQA.

In the midst of an ongoing drought and drinking water crisis in this state, we are concerned that water use for lithium extraction may have unintended or unknown consequences. While industry representatives have stated that there will be minimum related impacts on groundwater quality or quantity in the region from lithium extraction and processing, we note that the extraction process is experimental and that the potential impacts are not well understood. Consequently, it is important to ensure that any water used for lithium extraction complies with all state and federal laws and policy, including but not limited to the reasonable and beneficial use doctrine, the Porter-Cologne Water Quality Control Act, the Sustainable Groundwater Management Act, the

<sup>&</sup>lt;sup>1</sup>ChamberGroup Inc,. FINAL ENVIRONMENTAL IMPACT REPORT FOR THE ENERGY SOURCE MINERAL ATLIS PROJECT IMPERIAL COUNTY, CALIFORNIA,

https://www.icpds.com/planning/environmental-impact-reports/final-eirs/hudson-ranch-simbol-ii-feir

<sup>&</sup>lt;sup>2</sup> California Air Resource Board, Maps of State and Federal Area Designations,

https://ww2.arb.ca.gov/resources/documents/maps-state-and-federal-area-designations

<sup>&</sup>lt;sup>3</sup>Imperial County, *Lithium Valley Economic Opportunity Investment Plan (Imperial County LVIP)*, https://efiling.energy.ca.gov/GetDocument.aspx?tn=241584&DocumentContentId=75550

state and federal Antidegradation Policy, the Nonpoint Source Policy, Clean Water Act, and the Public Trust Doctrine.

Furthermore, it is important to ensure that there is active and adequate monitoring of any and all impacts to groundwater for all beneficial uses of that water that includes close monitoring of our aquifers to ensure there are no adverse impacts to the basins. All monitoring data must be made public and accessible to the local community.

# 4. "Lithium Valley" development must benefit, and not detrimentally impact the Salton Sea and surrounding communities.

In addition to the protection of public health and communities across the region, we must think about the direct and indirect consequences that geothermal energy expansion and lithium extraction may have on the Salton Sea. The state has considerable responsibilities in ensuring that the receding Salton Sea does not create further negative impacts on public health and, in fact, provide benefits to the surrounding communities and the wildlife that rely on these resources. This also means that "Lithium Valley" development efforts must not allow or cause further harm to the Salton Sea itself. There is currently an opportunity for "Lithium Valley" development efforts to collaborate with the ongoing work of the SSMP to restore the sea and develop projects that will further protect public health, support wildlife, create habitat, suppress dust, and create infrastructure targeted at community needs.

The Salton Sea is critical to geothermal energy production, and the recession of the sea has played a key role in opening up geothermal extraction zones, as it exposed areas that were previously inaccessible for lithium extraction opening up over one gigawatt of developable geothermal energy generation.<sup>45</sup> It remains unclear whether lithium extraction from geothermal brine will depend on the continued recession of the sea, especially at the proposed levels of extraction. The state must guarantee that the geothermal energy and lithium extraction projects will not accelerate further recession of the Salton Sea and instead be conducted in a manner that is consistent with and furthers SSMP and community projects.

## 5. Ensure decision-making is equitable, inclusive, community-led, and informed by resident priorities and data-based findings.

The State of California is working to quickly advance the commercialization of lithium to meet its climate, electrification, and renewable energy goals. While we support and commend the state's work to combat climate change through electrification, the state has failed to lead accessible and transparent educational and decision-making processes that include community residents as part of this effort. It is vital for California to set a precedent by initiating a standard of comprehensive community engagement that prevents future harm to all environmental justice communities from energy production.

<sup>&</sup>lt;sup>4</sup> Stringfellow, William T., and Patrick F. Dobson. "Technology for the Recovery of Lithium from Geothermal Brines." Energies 14.20 (2021): 6805.

<sup>&</sup>lt;sup>5</sup> Kaspereit, Dennis, et al. "Updated conceptual model and reserve estimate for the Salton Sea geothermal field, Imperial Valley, California." Geotherm. Res. Council Trans 40 (2016): 57-66.

An ongoing issue is the lack of clarity behind the roles and responsibilities of stakeholders engaged in this process which has greatly impacted the ability of community residents to know where and how to engage. This highlights a concerning lack of accountability to local communities regarding "Lithium Valley". Not only should roles and responsibilities be clear for the California Energy Commission (CEC), the Lithium Valley Commission (LVC), local jurisdictions, industry leaders, elected officials, the Governor's Office, and the Biden Administration but also for community residents, stakeholders, and community-based organizations.

Our understanding is that the LVC is required to produce a report in October to inform the state's and local government decision making regarding the future of this industry. We, therefore, urge state and local leaders to establish a more transparent and inclusive process that allows communities to engage meaningfully that results in outcomes (e.g. the LVC report, environmental review process, land use decisions, and community benefit agreements) that captures resident concerns and recommendations.

While having local community-based organizations represent the environment and communities around the Salton Sea region on the LVC, it is important to acknowledge the difference between community representation and community engagement. It is vital to directly and meaningfully engage residents in a manner that allows for a fluid conversation and uses extensive outreach tactics, including an accessible forum for continuous feedback.

We expect the state to ensure that the report is comprehensive, accurate, and inclusive of recommendations and concerns that have been actively and intentionally solicited by community members. Any program or policy designed to facilitate and accelerate lithium extraction prior to the release of the LVC's report and prior to fulfilling the considerations listed above is premature.

6. Agreements regarding community and Salton Sea investments and benefits related to the "Lithium Valley" must be informed by residents to ensure they meet community priorities.

The ultimate goal of the "Lithium Valley" effort is to implement a just and equitable transition to clean energy. We do not support the potential harm that this effort might impose on the surrounding communities. While we appreciate the language in the Governor's proposed budget related to community benefits, community engagement, and high environmental and labor standards, we do not see evidence currently of a meaningful and inclusive process to inform the design of community benefits or due diligence to ensure adequate environmental protection. The state must ensure the development of enforceable community benefits agreements that include community-identified priorities related to environmental and public health as well as economic development and climate resiliency.

Additionally, the State should only move forward with incentivizing lithium extraction in the Salton Sea region if residents likely to be impacted by projects support such action following robust and effective community engagement that produces community-identified priorities, as outlined above

7. Ensure that a proper allocation from the incentives, royalties and taxes is directed to the Salton Sea to provide habitat restoration, multi-benefit infrastructure, and community amenities as informed by residents.

There has also been discussion between state and local governments around generating revenue sources from fees, royalties and/or taxes on lithium production. Any revenue generating proposal—whether it is state and/or local—must include enforceable commitments that a substantial portion of this funding will be directed to the communities impacted by lithium development, including the Salton Sea. Further, there must be mechanisms put into place to ensure that there is a meaningful process for these communities to have input into how these funds are expended. Finally, we strongly urge that a portion of these funds be directed toward creating a sustainable revenue stream for the operations and maintenance of SSMP projects. To date, the state has failed to identify a funding source to operate and maintain these projects over the long-term, which has been a source of considerable concern by local communities since we worry that projects constructed by the state will not have sufficient resources beyond the first few years of operation.

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Thank you for the opportunity to provide our recommendations. We look forward to working with your administration and other partners as these efforts progress to address community concerns and priorities and center sustainability and equity in the Salton Sea region.

Sincerely,

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