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CALIFORNIA ENERGY COMMISSION
LITHIUM VALLEY COMMISSION

In the matter of,)
)
Lithium Valley) Docket No. 20-LITHIUM-01
Commission Meeting)

IN PERSON AND REMOTE VIA ZOOM VIRTUAL MEETING

Primary Location:

Calipatria High School
Library
601 W. Main Street,
Calipatria, CA 92233

Secondary Location:

California Natural Resource Agency
2nd Floor, Room 2-310
715 P Street, Sacramento, CA 9581

THURSDAY, MAY 26, 2022

1:30 P.M.

Reported By:
Elise Hicks

APPEARANCES

Lithium Valley Commissioners

Steve Castaneda
Miranda Flores
James Hanks
Ryan Kelley
Luis Olmedo
Silvia Paz
Alice Reynolds
Frank Ruiz
Jonathan Weisgall

CEC Staff

Deanna Carillo
Erica Loza
Silvia Palma-Rojas

Presenters

Karen Skelton, Assistant to Secretary Granholm
Samuel Gillard, Department of Energy
Trelynd Brandley, GO-Biz
Daniel Adler, State Infrastructure Bank
Peter Streit, California Organized Investment Network
John Gay, County of Imperial

Public Comment

Maria Nova-Froelich, Calipatria Mayor Pro-Term
Jose Flores
Hector Meza
Sonia Herbert
Sean-Keoni Ellis
Art Gertz
John Hernandez
LCJA (Spanish translator for Mario Bautista)
Nicola Lakic
Christopher Green
Daniel Guerrero
Tom Stephen
Charlene Wardlow
M Vasquez
Hector Cervantes

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P R O C E E D I N G S

1
2 May 26, 2022

1:32 P.M.

3 CHAIR PAZ: Well hi, everyone, welcome to the
4 Commission of the extraction of Lithium. Today we are
5 meeting in person and through Zoom. We are providing
6 interpretation services in Spanish for attendees at our
7 local — at our location here in Calipatria, and those
8 participating in the Zoom through their computers or
9 tablets. The Zoom interpretation function does not work
10 for attendees who are only joining by phone.

11 So, at this point a representative from the
12 CEC will speak in Spanish to inform our Spanish-speaking
13 audience how to use the interpretation services.

14 MS. LOZA: Buenas Tardes. Me llamo Erica
15 Loza. Testing.

16 MS. ROJAS: Buenas tardes. Me llamo Silvia
17 Palma Rojas. Daré instrucciones a aquellos de ustedes
18 que quieran escuchar la reunión en español. Hay un
19 intérprete disponible a través de la plataforma Zoom.
20 Para unirse al canal en español, haga clic en el ícono
21 de globo pequeño en la parte inferior de la aplicación
22 Zoom. Seleccione el canal donde dice S-p-a-n-i-s-h.
23 Luego haga clic en la frase siguiente donde dice "Mute
24 Original Audio" para silenciar el audio original. Si
25 tiene preguntas o si gusta hacer algún comentario, por

1 favor de oprimir el icono de la mano alzada y abierta o
2 envíenos un mensaje en español a través de la función de
3 chat para ayudarlo. Muchas gracias.

4 Back to you, Chair Paz

5 CHAIR PAZ: Thank you. To ensure that all
6 members of the public have access to the meeting under
7 the Bagley-Keene Open Meeting Act, we ask that all
8 Lithium Valley Commissioners select and remain on the
9 English Channel for the entirety of the meeting —
10 preferably with cameras on. And, I will also request my
11 colleagues to state your name before speaking, so that
12 everyone who is joining on via Zoom also knows who is
13 the one speaking. Also, please note that the slides
14 include some text in Spanish which is highlighted in
15 grey.

16 CEC staff can you please review the general
17 instructions.

18 MS. LOZA: This is a hybrid meeting, with a
19 primary physical location here in Calipatria, and one
20 additional publicly accessible location connected via
21 teleconference in Sacramento. At least one Lithium
22 Valley Commissioner is at each physical location. Each
23 of the physical locations were provided in the meeting
24 notice and are publicly accessible. The public can also
25 access the meeting through Zoom as described in the

1 meeting notice. A revised meeting notice was posted
2 yesterday, identifying one additional publicly
3 accessible location from the Lithium Valley
4 Commissioner, and will participate in the workshop
5 portion of today's agenda.

6 This meeting is being recorded as well as
7 transcribed by a court reporter. The transcript will be
8 posted to the docket. The recording of the meeting will
9 be available on the Lithium Valley Commission webpage.
10 The Spanish interpretation will not be recorded or
11 transcribed.

12 Members of the public connected via
13 teleconference will be muted during the presentations,
14 but there will be opportunities for public comment at
15 times throughout the meeting. There is a Q&A window in
16 Zoom application that you can use to type your questions
17 and comments, and staff will relay these comments. The
18 presentation materials from the meeting and workshop
19 today will be made available through the docket in
20 English and Spanish versions after the meeting. Please
21 note that the Spanish version may be posted a few days
22 after the English version.

23 Next Slide.

24 Public comments can be submitted at any time
25 throughout the e-commenting system accessed through the

1 Lithium Valley Commission webpage. For more information
2 on the Lithium Valley Commission, you can access the
3 website as shown here. You can also review all
4 materials submitted to the docket at the link provided
5 below the website address, which can be found on the
6 webpage as well.

7 Back to you Chair Paz.

8 CHAIR PAZ: Thank you. As noted during our
9 last meeting, since we are now meeting with publicly
10 accessible locations as well as online through Zoom, to
11 have a quorum of Commissioners, we are required to have
12 at least one Commissioner at the primary physical
13 location identified in the meeting notice. Other
14 Lithium Valley Commissioners can attend remotely from
15 other public locations that were provided in the meeting
16 notice.

17 The only Commissioners that may deliberate,
18 discuss, comment, vote, or count towards a quorum on any
19 item are those attending in person at either the primary
20 physical location, or the additional remote location
21 listed in the —

22 (Pause)

23 MS. LOZA: Hello, the Calipatria High School
24 is on Mute.

25 (Pause)

1 We cannot hear Calipatria High School

2 (Pause)

3 CHAIR PAZ: Can you hear me now?

4 MS. LOZA: Yes.

5 CHAIR PAZ: Okay. We're just dealing with an
6 echo.

7 (Pause)

8 MS. CARRILLO: We appreciate everyone on audio
9 for your patience as we work out IT logistics at the
10 High School. Thank you for your patience.

11 (Pause)

12 CHAIR PAZ: Thanks to everyone for your
13 patience, it looks —

14 (Pause)

15 COURT REPORTER: Excuse me, if there is more
16 than one microphone or laptop that is unmuted then we'll
17 have the echo, so there can only be one unmuted device
18 in there.

19 (Pause)

20 UNKNOWN SPEAKER: Okay, let's try this again,
21 it was the projector.

22 CHAIR PAZ: Oh perfect. Can you all hear us?

23 MS. CARRILLO: Much better, thank you.

24 CHAIR PAZ: Thank you to the team. Okay. So,
25 I will ask the CEC to call the roll of Commissioners.

1 When you answer, please indicate if you are attending at
2 Calipatria High School, or the California Natural
3 Resource Agency Building in Sacramento. If a
4 commissioner is listening in via Zoom only, or from a
5 different location, they should not identify themselves
6 at this time, as they will be considered absent for the
7 official roll call and any discussions, deliberations,
8 or votes. I also want to take this time to welcome
9 Commissioner Alice Reynolds to your first meeting as a
10 member of the Lithium Valley Commission. Welcome.

11 CEC, can you please call roll?

12 (Pause)

13 MS. CARRILLO: Erica, you're muted.

14 MS. LOZA: Commissioner Castaneda?

15 Commissioner Colwell?

16 Commissioner Dolega?

17 I can't hear anybody.

18 Commissioner Flores?

19 COMMISSIONER FLORES: Present.

20 MS. LOZA: Commissioner Hanks?

21 COMMISSIONER HANKS: Here.

22 MS. LOZA: Okay. Commissioner, Vice Chair
23 Kelley.

24 VICE CHAIR KELLEY: (indiscernible)

25 MS. LOZA: Commissioner Lopez?

1 Can I go back to Vice Chair Kelley, I — um
2 wasn't sure if he said yes, or present.

3 VICE CHAIR KELLEY: I am here, I'm in Calipat.

4 MS. LOZA: Thank you. Commissioner Olmedo?

5 COMMISSIONER OLMEDO: Present.

6 MS. LOZA: Thank you. Calipatria, I'm
7 assuming?

8 CHAIR PAZ: Just a reminder, yes, Calipatria.
9 Just a reminder to say where you are located.

10 MS. LOZA: Commissioner Reynolds?

11 COMMISSIONER REYNOLDS: Present, and I'm here
12 in the California Natural Resources Agency building in
13 Sacramento.

14 MS. LOZA: Commissioner Ruiz?

15 COMMISSIONER RUIZ: Present, Calipatria.

16 MS. LOZA: Commissioner Scott?

17 Commissioner Soto?

18 Commissioner Weisgall?

19 COMMISSIONER WEISGALL: Present, in
20 Calipatria.

21 MS. LOZA: Okay. And those that didn't say
22 present, can I just run it one more time?

23 Commissioner Castaneda?

24 Commissioner Colwell?

25 Commissioner Dolega?

1 Commissioner Lopez?

2 Commissioner Scott?

3 And, Commissioner Soto.

4 Okay. So, we have one, two three—

5 MS. CARRILLO: We have eight.

6 MS. LOZA: Yes.

7 CHAIR PAZ: Thank you. And for the record,
8 I'm here in Calipatria. So, we do have a quorum. The
9 agenda — next slide, please.

10 CHAIR PAZ: So, there will be a change in the
11 order of agenda items. To support the schedules for our
12 speakers, agenda item number three, the Workshop on
13 Incentives and Investments to Facilitate Lithium
14 Extraction from Geothermal Brines and Development of
15 Lithium-Dependent Products and Businesses, will be heard
16 before agenda item number two, the "Discussion and
17 Possible Action on Draft Findings and Recommendations
18 Identified During the Economic Impacts Workshop."

19 During the Incentives Workshop, public
20 comments will be limited to three minutes. For all
21 other items, we request that comments be limited to two
22 minutes.

23 Next slide, please.

24 Slide number eight. So, this is a workshop on
25 Incentives and Investments to facilitate Lithium

1 Extraction from Geothermal Brines and Development of
2 Lithium-Dependent Products and Businesses. Commissioner
3 Castaneda prepared something that I am going to be
4 reading out loud, since he is running late. Do I read
5 all of it?

6 So, today's workshop is focused on the local,
7 state, and federal incentives and investments to
8 facilitate lithium extraction from geothermal brines,
9 and the development of lithium products and businesses.
10 The first session will provide an overview on federal,
11 state, and local incentives and research programs. The
12 second session includes representative from Imperial
13 County, and the industry, to discuss opportunities for
14 new incentive, investments, and research programs.

15 But, before kicking off the workshop, I want
16 to acknowledge that the main revision to the Governor's
17 proposed budget for the '22-'23 fiscal year was released
18 about two weeks ago and includes proposals that are
19 directly related to lithium extraction activities in the
20 Salton Sea region, including the proposed investments.
21 As we heard at a previous meeting, the Governor's
22 proposed 2022-23 budget, released in January, included
23 certain commitments specific to lithium development in
24 the Salton Sea region.

25 Including proposals to provide incentives to

1 advance the clean energy market in California, provide
2 Californians in Imperial Valley a share of the
3 (indiscernible) from these projects, develop labor
4 standards that deliver community benefits, economic
5 development, and job opportunities. And, provide that
6 lithium production is done in a clean and sustainable
7 way.

8 The January proposed budget also made a
9 commitment that the administration would work with key
10 parties to develop a model for revenue sharing, as well
11 as a strategy to simplify permitting more geothermal
12 facilities and lithium extraction in the Salton Sea
13 area, while maintaining high environmental standards.

14 The main revision to the proposed budget
15 builds on the January proposal, provides specific
16 details on proposed policies and investments to spur the
17 growth of infrastructure to support the development of
18 geothermal and lithium extraction facilities in the
19 Salton Sea region, and includes \$5 million and
20 function, to support planning, project evaluation, and
21 community engagement to support the development of
22 geothermal legacy and lithium recovery in the Salton Sea
23 region.

24 45 million over three years to expand the
25 sales and use tax exclusion at the state's treasurer

1 office to incentivize projects that manufacturer,
2 process, or recover lithium. 80 million to expand
3 training in the San Diego State University Brawley
4 Center in the Imperial Valley to bring pathways for
5 local residents to benefit from those jobs created by
6 the new industry.

7 250 million to leverage additional state
8 financing tools for the development of clean energy
9 projects that will assist the state and meeting its
10 reliability, and portability and finance goals.

11 The initial priority of this new financing
12 will be to support the development of new transmission
13 to deliver clean firm electricity from new sources
14 located in the Salton Sea region, including CAL-ISO.
15 Establishing a tax per ton of lithium extraction to
16 provide for local governments and residents benefit by
17 placing reporting and fee requirements on lithium
18 extraction activities and providing funds to contribute
19 to the restoration of Salton Sea, as well as grants to
20 support disadvantaged communities in the region. And, a
21 proposal to accelerate development by streamlining
22 geothermal permitting, including strong environmental
23 protections in coordination with California Native
24 American Tribes.

25 I want to mention these highlights from the

1 climate chapter of the May revision to the Governor's
2 proposed budget. Although these are just proposals at
3 this time and may evolve through the process to finalize
4 and adopt the budget, these proposals align with the
5 topic we are exploring today.

6 With that, I'd like to launch the workshop and
7 introduce the first presenter.

8 Next slide.

9 Okay, so at this point I will — I want to
10 welcome and thank Karen Skelton, Senior Advisor to
11 Energy Secretary Jennifer Granholm, and Samuel Gillard,
12 Technology Manager of Battery R&D, from the Department
13 of Energy.

14 MS. SKELTON: Thank you so much. I assume you
15 — I'm — in your meeting at some point, I cannot tell,
16 but I'm assuming you can hear me. There you go. Okay.

17 Thank you for having us participate in this
18 session today. I wanted to just quickly frame up a
19 little bit about the importance of this topic to the
20 administration. While Calipat is far away from where
21 I'm sitting in Washington D.C. right now, it is a top
22 priority and top of mind to this administration.

23 As you probably remember, the president hosted
24 — convened a meeting in February around the topic of
25 critical mineral extraction and the supply chain in the

1 United States. And after listening to Silvia Paz and
2 others, he asked Secretary Granholm to come to Imperial
3 County and to the Salton Sea and to hear from your
4 community. And we did come.

5 The secretary came in April, and spent a day
6 with a representative, Dr. Ruiz, and many people in the
7 community. Listened at a session right there at Calipat
8 High School, to members of your community. Not just
9 about the importance of the lithium around your
10 community, but as you opened up and talked about the
11 critical importance of the impacts of environmental
12 development in your area, environmental justice, equity,
13 and how the community itself is going to face the
14 challenges and opportunities that it faces.

15 So, we are continuing to be tracking what the
16 Governor is doing, his May revise, the proposals to
17 advance clean energy, economy there. We're working
18 closely with people in the Governor's office and — in
19 participating in small ways and large ways and looking
20 for your advice and guidance on ways — other ways we can
21 participate to be responsive to the community's needs
22 and what the Secretary heard when she was there.

23 I want to just underscore the importance to
24 the Nation, as you know, that the potential enormous
25 value of the lithium extraction has to the supply chain,

1 including extraction, processing, manufacturing,
2 recycling, which my colleague, Sam, will address in one,
3 one — less than a minute. But, I wanted to just lay out
4 on the subject of lithium, and the — and the potential.

5 Three sources of resources in the Federal
6 Government, just broadly, that I want to throw out for
7 you to try to learn more about. The first is a
8 clearinghouse that you can find at
9 EnergyCommunities.gov., EnergyCommunities.gov. There is
10 a clearinghouse of over \$200 billion in either opened or
11 planned funding opportunities and investments in energy
12 communities across the country. That is part of the
13 Energy Communities Intergovernmental Working Group that
14 the President established in January of his
15 administration last year.

16 The second is to access on the Department of
17 Energy website, the Office of Economic Impact and
18 Diversity, which has several programs, grants,
19 innovation, funding sources, that might be applicable to
20 Lithium Valley, so I turn you there.

21 And, then most directly, is the lithium
22 extraction and processing battery supply chain funding
23 opportunity that is currently now open and waiting for
24 applicants to apply for. And that, I will turn over to
25 my colleague, Sam Gillard, to explain to you in some

1 more detail.

2 So, thank you very much, on behalf of the
3 Secretary, the President, and thank you for having us
4 here.

5 Sam, over to you.

6 MR. GILLARD: Great. Thanks, Karen. Can you
7 go to the next slide, please?

8 Yeah, so, for those I haven't met — um, just a
9 lot of you, I'm Sam Gillard, I work at DOE as a
10 Technology Manager. Most of my work is in Battery R&D,
11 but I'm leading a lot of the activities on the supply
12 chain to include a lot of the Bipartisan Infrastructure
13 Law provisions, including some of the battery materials
14 and recycling areas.

15 Next slide.

16 (Pause)

17 Next slide — there we go.

18 So, this FOA that we have released, Funding
19 Opportunity Announcement, is a total of \$3.16 billion,
20 and will be spread out over 12 different topics and is
21 going to be looking at electric chemistry across the
22 board. So, we have a lot of interest and probability
23 that we're going to be funding a lot of work in the
24 lithium battery space, but also other technologies and
25 chemistry is our interest. And, this is a picture of

1 Secretary Granholm, sort of making the announcement that
2 the FOA was open.

3 Next slide.

4 So, this is just, sort of, the battery supply
5 chain in its, you know, kind of base form. And, Lithium
6 Valley, I think, plays a really big role in this
7 upstream area. The production of lithium, you know, and
8 when I talk about critical materials, you know, there's
9 sort of the big three, or big four, if we include
10 graphite. But lithium is always on that list. It's the
11 only non-substitutable element within the lithium-ion
12 battery. You can't have a lithium-ion battery without
13 lithium. And ultimately, we know we're going to need a
14 lot more of it. And, we know we need to be able to
15 produce it domestically. One of the things that we are
16 really focused on as well though, is not just producing
17 that material from raw materials, but also producing the
18 entire ecosystem.

19 You click — just click through —

20 (Pause)

21 Click through the animations please.

22 (Pause)

23 There we go. And yeah, keep clicking. There
24 we go. Perfect. Nope. Back.

25 (Pause)

1 Alright, perfect.

2 So, you know, when we talk about the need for
3 the entire battery ecosystem, you know, ultimately, we
4 understand that we don't want to just create a lithium
5 raw material extraction that then has to be exported to
6 another country for us to use in electric vehicles here
7 in the United States. It's not only bad for our
8 economy, it's bad for the environment, it's wasted
9 energy, and ultimately, we should be able to produce all
10 of this here, in the United States.

11 And so, that's why this FOA is looking at all
12 aspects. So, we're looking at the materials processing
13 from raw materials, and recycled material. We're
14 looking at the components — cathode, anode,
15 electrolytes, separator, all of the above — and we're
16 looking at cell-fab, and we're looking at pack
17 manufacturing, and ultimately, being able to recycle
18 that. And within recycling, we also have other
19 provisions that are more RD&D-focused, that we'll be
20 funding in this bill as well.

21 Next slide.

22 So, one of the things I mentioned, you know,
23 it's very important for us in this whole process to be
24 thinking about creating a domestic ecosystem and
25 thinking about the battery supply chain as a whole. So,

1 ultimately, wanting to understand ways we can
2 incentivize domestic production at each step of the way
3 — it's going to be such an important part of this.

4 And, will be a good way for us to capture the
5 material that we use and need, and I think lithium is a
6 great story, because we have a lot of it domestically to
7 include in the Lithium Valley. And so, trying to
8 understand the opportunity space there, and then be able
9 to create down-stream customers with the lithium that
10 you're able to extract there.

11 Next slide.

12 So, this is sort of some of the language that
13 we have with the battery provisions. Ultimately, we see
14 there's a lot of things that go into our language here.
15 Enhancements, enclosures, anodes, cathodes,
16 electrolytes, cells, and other associated technologies.
17 So, there's a huge landscape of materials that need to
18 be considered. And part of supply chain research is
19 really finding out what is your rate-limiter, what is
20 the thing that is ultimately going to stifle supply, and
21 how do we decrease that aspect of the supply chain.

22 Next slide.

23 And so functionally, the way this looks is
24 this. There's a lot of battery-grade materials, not
25 just lithium. There's obviously lithium-hydroxide,

1 lithium-carbonate, but there's all these other materials
2 that need to be in place for us to have a domestic
3 supply chain that we can be fully reliant on. So,
4 there's a lot of things that we need to be considering
5 in this FOA, and this is — in this particular case, it's
6 just for lithium. That doesn't even include the other
7 electric chemistries that will likely be getting
8 applications in.

9 Next slide.

10 So, a little bit more about the grants. We
11 have — this is our Congressional language on the
12 amounts. So, the demonstration projects are very large-
13 scale demonstration projects. \$50 million floor, with a
14 50-50 cost share to re-tool and to retrofit a new or
15 existing facility is \$50 million, and then a new
16 facility is \$100 million for the cost minimums to apply
17 with a 50-50 cost share.

18 Next slide.

19 And this is the criteria for how we're going
20 to be judging proposals. So, we have the technically
21 viable and impactful, and so that goes up on the
22 demonstration side, just because we expect there to be a
23 little more risk there. And the commercially viable, we
24 decreased and in-took in that sense, but we really
25 wanted to harp on, you know, the strength of the cost

1 share, the qualifications and resources, and really
2 importantly, is the equity plan. You know, this
3 administration has rightfully put a lot of emphasis on
4 how do we ensure that there's equality in how we go
5 about enabling this clean energy future. And, DEI,
6 Justice Authority, and other considerations are such an
7 important part of this whole process.

8 Next slide.

9 I just wanted to finish up with one of my
10 sister offices, the Geothermal Office, has funded some
11 work in this area in the Lithium Valley, with Lawrence
12 Berkeley National Lab, to really understand how much
13 lithium is in these geothermal brines. It's a very
14 complicated question. We've seen estimates all over the
15 map, but ultimately, having independent third-party
16 characterizations of the lithium-containing rock, the
17 geothermal brine, and diagnostics there, and the
18 thermodynamic modeling that exists out there, to
19 understand how quickly lithium will be replenishing the
20 under-water liquid brine, is basically what we're going
21 after. And so, there's international collaboration
22 that's happening with the University of Auckland, and we
23 here at DOE are really excited to see this project and
24 see how much we can learn about the Lithium Valley from
25 this source.

1 So, happy to answer other questions.
2 Unfortunately, given the openness of this topic, I'm
3 unable to answer specifics about other topics and other
4 things. But, happy to answer about DOE in general, or
5 lithium strategy in general.

6 So, with that I'll pass it on. Thank you.

7 CHAIR PAZ: Thank you. We typically — can you
8 hear me? On the Zoom, can you hear me?

9 MS. LOZA: Yes, we can.

10 CHAIR PAZ: Thank you. We typically do answer
11 questions after all the panelists have gone, but I just
12 want to check whether Karen or Samuel, if you're going
13 to be staying on at least for the duration of this first
14 panel?

15 MR. GILLARD: Yes. I will be — yeah, I will
16 be here to answer questions. I was just, kind of
17 sounding it with, "I can't answer certain types of
18 questions," given the open solicitation that's out on
19 the street.

20 CHAIR PAZ: Yes, thank you.

21 MR. GILLARD: But yeah, I can answer questions
22 if I can. So, please ask. If I can answer, I will.

23 MS. SKELTON: I will be here as long as I can.

24 CHAIR PAZ: Okay, thank you.

25 COMMISSIONER OLMEDO: Madam Chair?

1 CHAIR PAZ: Yes?

2 COMMISSIONER OLMEDO: I'd like to ask that
3 maybe we change it up. I think it's an onerous question
4 on our mind right now. I think if we move on to the
5 next presentation, we might lose some of the contained
6 information that we have.

7 CHAIR PAZ: I can open it for questions if
8 there's no, you know, if no one is against it? Just —
9 let's just be mindful that we don't end up asking up so
10 many questions and then we take time from the other
11 panelists. But, I think if we have some burning
12 questions, maybe the next five minutes before we call
13 the next panelists, we can do that.

14 So, yes, Commissioner Olmedo, do you have a
15 question?

16 COMMISSIONER OLMEDO: Yeah, thank you. This
17 is kind of tough. But, I did have some questions. So,
18 these aren't, you know, deep questions, but there are a
19 few things that I ask. I was just curious about acid
20 drainage. I'll ask them all, and then maybe we can go
21 to the corner.

22 So, acid drainage, I had a question about
23 that. The cost share, and how the Department of Energy
24 is — how they are developing the framework to ensure
25 that disadvantaged communities are equitably considered

1 when determining cost share. Because there are just — I
2 would not be counting on community to have — at least
3 here, in the disadvantaged community of Imperial Valley,
4 the cost share isn't going to be there. So, I'd like to
5 know how that has been factored in, in specific, if you
6 have that.

7 And my third question is, I've been curious
8 about Berkeley National Lab, because I hear plenty of
9 them. But, I haven't seen engagement of the
10 environmental justice of disadvantaged community
11 advocate groups or organizations, or just community
12 based organizations in the Imperial Valley. I know
13 we've sent a letter, you know, wearing my hat as an
14 organization director, and many of my colleagues who are
15 here, we never heard from them.

16 So, I was just wondering how, you know, given
17 the Justice 40, given the high focus on environmental
18 justice, disadvantaged communities on equity, how the
19 Department of Energy is providing those metrics to
20 agencies such as the Berkeley National Lab. Because I
21 don't know where they're gathering their data, and it's
22 much different, you know, gathering data from research,
23 literature reviews, versus being on the ground out here
24 in the community. So, that will be noted, the three
25 questions.

1 MR. GILLARD: Karen, I can answer the first,
2 if you want to tackle the second one.

3 MS. SKELTON: Sure.

4 MR. GILLARD: Alright. So, acid mine drainage
5 is definitely — so we would consider that sort of an
6 unconventional source of material, so it's not a primary
7 product, but it's definitely of interest, right? And
8 one of the things, at least from a, you know, technical
9 perspective, we're looking at, you know, how much of the
10 material can get into the supply chain, how quickly, and
11 at what costs. And, what are the strengths of the
12 partnerships in the upstream and downstream?

13 And so, you know, I think that is definitely
14 something that, you know, we are considering of
15 interest. But, yeah, again ultimately on the cost share
16 component, you know, these were sort of Congressionally
17 given to us, but, I know there are multiple efforts
18 underway for disadvantaged communities that might not be
19 able to meet it. So, I think more to come on that side
20 when it comes to developing things that are not the
21 whole 50-50 cost share, but these are very large-scale
22 demonstration and commercial projects. This is just the
23 first out of the gate, but there will be many more, I
24 think, solicitations and funding opportunities for
25 disadvantaged communities.

1 MS. SKELTON: On the question of the Berkeley
2 National Lab study, the study — we met — the Secretary
3 met with the scientists who were leading that study
4 before she came down to the Salton Sea in April, and
5 learned that they really are focused on the science. In
6 other words, the characterizing of the geothermal
7 lithium resource itself. So, it's a geological study of
8 the seabed, and of the viscosity of the brine, the
9 degree to which there is a life — a shelf life to the
10 lithium itself. And so, it's not a — it's not so much a
11 question that — about the disadvantaged communities and
12 their very real impacts from the — what we hope to be
13 the industrialization of that site.

14 So that is something that — I think our role
15 in that will be through our environmental justice and
16 equity department at the DOE, and that's why I invite
17 you to be online there. I mean, the Secretary did come
18 back, we did have somebody from that office with her
19 when we were there at the Salton Sea in Imperial County.
20 And we want to continue to work with the Governor's
21 Office as they are developing and working through all
22 the issues that are in the May revise and that
23 legislative package. So those are ways that we're
24 trying to be responsive to what we've heard from the

1 community and the great needs there, in addition to
2 working with Congressman Ruiz.

3 COMMISSIONER OLMEDO: I just also wanted to
4 remind that Congressman Juan Vargas is in the Imperial
5 District, it covers the border. And then, we have Raul
6 Ruiz on the Riverside. I just want to make that
7 clarification just so Congressman Juan Vargas doesn't
8 get excluded from whatever reference in the Imperial
9 area.

10 MS. SKELTON: Thank you. Yes.

11 CHAIR PAZ: Thank you, Commissioner Olmedo.
12 Are there any other questions? Commissioner Ryan
13 Kelley?

14 VICE CHAIR KELLEY: Thank you, Ms. Skelton,
15 Mr. Gillard. I do have a few questions. And, I know
16 that I've shared one of these, but (indiscernible)
17 before. The federal focus on Lithium Valley. Very
18 happy to hear what you've shared with us today. But in
19 regards to a point of contact for outside of the
20 Department of Energy, Department of Transportation, via
21 the focus of federal programs on to a strategic
22 importance of supply chain and new industry, new
23 electrification goals of the federal government.

24 Is there any movement in Washington to put
25 someone that could help, in regards to — you mentioned

1 the clearinghouse in regards some of the programs in the
2 area — is there a possibility of creating someone or a
3 positioning that would help move that along, streamline
4 some of the access, availability and (indiscernible)

5 And then, my second question is that the
6 programs you've announced, and focusing on manufacturing
7 seem to be dependent on private interests. So, I know
8 that we may be able to take advantage of one of the
9 opportunities for manufacturing with one of the
10 developers, but is there anything at the federal level
11 to, outside of looking for a private partner, to direct
12 some of that manufacturing development in the area that
13 is going to see the mineral extraction? Thank you.

14 MS. SKELTON: I could take — the first
15 question is one — I'm having a hard time seeing, but I
16 think that's — is that Supervisor Ryan? Okay. I
17 recognized your voice, but I can't see you very well.

18 But, that question is a good question, about
19 having a single contact, if you will, that is able to
20 pull the strings together from across the federal
21 government in places where there are equities, and there
22 are certainly a lot of them. I mean, the Department of
23 Transportation, DOI, Fish and Wildlife, Department of
24 Energy, The Whitehouse, and many, probably many others.
25 And I have to say, we have raised that question here,

1 and have not moved it to a place where we've established
2 any one point of entry.

3 I would ask Congressman Vargas, Congressman
4 Ruiz, and to — maybe we can have a follow-up
5 conversation about that with the agencies. And, I'm
6 happy to take that conversation with them, and see if we
7 can try to figure out a way, as we're all going through
8 this together, to develop this potential economic
9 resource, to establish something that's like that. So,
10 I will take that back as a to-do item on my side.

11 CHAIR PAZ: Thank you for the questions and
12 the responses. We do have our next two panelists, who
13 have time constraints, so there might be questions after
14 the panelists, but we're just going to take them and
15 hold on to questions until all the panelists have
16 presented.

17 And so, Trelynd Bradley?

18 MR. BRADLEY: Yes, thank you. Can you hear me
19 alright?

20 CHAIR PAZ: Yes.

21 MR. BRADLEY: Fantastic. Thank you, very
22 much, for having me here, and thank you to the Lithium
23 Valley Commission. It's great to join to be able to
24 present again today before you all on different kinds of
25 State incentive programs, and also great to be following

1 the folks at the Department of Energy, and I think
2 there's a lot of exciting activity going on there, that
3 is of great interest to this effort, and looking forward
4 to that continued collaboration across state and
5 federal, as mentioned.

6 Everyone, my name is Trelynd Bradley, I'm a
7 Senior Business Development Staff at the Governor's
8 Office of Business and Economic Development, or GO-Biz.
9 Next slide.

10 Here's my — next slide. Go ahead and go to
11 the next slide.

12 Just a little bit about Go-Biz, and I know
13 that I've presented to the Commission before, but for
14 those and members of the public who of all — who are
15 joining as well, thank you for being here too. I just
16 wanted to say that our office, at a high level, is an
17 economic development and business development service
18 organization.

19 We help businesses and economic development
20 practitioners navigate resources understand what
21 different types incentive programs may be available,
22 what are the different economic development
23 infrastructure financing tools, or other means to
24 attract investments, and do some of that long-range
25 planning and development within specified areas in

1 California.

2 So, think of industry cluster development as
3 something that — is something that we have a lot of
4 folks who work on in different shapes in form. Maybe
5 that would be permit assistance, our California Competes
6 Program that we have within our office, which I'll be
7 talking about alter. And then, go ahead and go to the
8 next slide.

9 So really quickly, I just wanted to share kind
10 of a couple of big points that I think are relative and
11 interesting to the Commission. I know that I'm going to
12 be talking a little bit about incentives, and I just
13 wanted to, you know, for everybody who is listening to
14 the call, just make a little bit of a difference about
15 what an incentive is, and what a subsidy is. And I
16 think sometimes they often get confused in the
17 discussion about economic and business development.
18 There's lots of states that offer subsidies, you know,
19 there's lots of states that offer incentives.

20 In California, it is definitely an incentive
21 landscape. An incentive meaning that you are getting
22 something for doing something in — as a company or a
23 business, to then achieve or obtain that incentive.
24 Whether that means making your manufacturing equipment,
25 you know, more greenhouse gas efficient, if that means

1 investing a certain amount of jobs or capital
2 expenditure, or CapEx, within California. Retaining
3 your workforce within California. So, incentives, in
4 order to earn what the incentive benefit is. Different
5 than a subsidy and some kind of — you know, I think they
6 often get confused. And some things about what others
7 are saying in the media with some of the deals going on
8 in other states.

9 I would say that the landscape from state to
10 state is very different than it was several years ago in
11 incentive offerings. You know, we as an office are
12 seeing humongous offerings that are being placed in
13 other states for vehicle and battery manufacturers in
14 particular, I think is the one that's been taken note as
15 of late. And even semiconductor companies are talking
16 incentive packages that are very large.

17 The difference now and the past couple years
18 is that a lot of incentive programs, I would say
19 generally across the United States, do require some type
20 of performance in order to earn the incentive. So, you
21 have to meet metrics within, you know, increasing full
22 time jobs within a specified area. A lot of states have
23 kind of followed California in that regard. I would say
24 that we were some of — one of the first states to kind
25 of put in those caveats within our incentive programs.

1 So, I'll be talking — so this — some of the
2 points I just want to make at the at bat — I'll be
3 talking a little bit about where you find incentives in
4 California, some of the incentive programs that exist
5 here at the state, and then some of the place-based
6 incentives and how they tie in to the Lithium Valley
7 area. So, next slide.

8 So, Business.ca.gov is really the hub of our
9 website, where you can find businesses, it's very easy
10 to navigate. Here, I have the drop down pull-off for an
11 incentives, grants, and financing page. We also have
12 industry sector, of course, which zero-emission vehicles
13 are included there, and you can see just straight off
14 the bat what different incentive programs are available
15 at the state, and I'll be talking about some of those
16 today.

17 Next slide.

18 One resource on that page that we have
19 released that has been very highly utilized, and was a
20 feedback with — from a lot of companies, including those
21 who are stakeholders within the Lithium Valley area — it
22 was to create a document that's a succinct, you know,
23 almost excel-like document that has all potential
24 business incentives listed and categorized.

25 So, we released that in this last quarter, the

1 California Business Comeback Guide has the incentive
2 link to it, how much you can get, where the agency is
3 located at, point of contact, timing, you know, and you
4 know, very — other details at the end, including
5 staffing within GO-Biz that you can contact as a
6 business to be able to navigate some of these
7 incentives.

8 And we have all sizes and shapes of businesses
9 reach out to us, all the way down from folks who are,
10 you know, street vendors in Los Angeles trying to
11 navigate some resource like this, all the way up to
12 folks who are making a multi-billion dollar investment.
13 So, any business in California, we service in providing
14 something like incentive navigation.

15 So, next slide.

16 And so, really, the place that we have to find
17 grants, because I get often asked what are the different
18 incentives that are grants, I always choose and
19 highlight what is grants.ca.gov, this is the state
20 website that has been created in the last several years
21 that houses all state grant opportunities, a really
22 phenomenal resource.

23 Next slide.

24 And this is one resource that I champion out
25 across the board, especially now, given all of the

1 investment and federal funding, is we have a federal
2 grants coordinator at the State of California Federal
3 Grants Administrator at our Governor's Office of
4 Planning and Research. She puts together a phenomenal
5 e-list that every week succinctly provides all federal
6 grant opportunities, you know just, what it is, what it
7 does, how you can go pursue it and funding, and it's a
8 really great email that's sent out that kind of
9 navigates a lot of these resources. So, I encourage
10 everybody to go sign up and be in tune with California's
11 Federal Grant Administrator, especially for the DOE
12 opportunities shared.

13 So, next slide.

14 So now, I'm going to talk about state
15 incentives. So, one that's in our pro— in our office
16 that has folks in the Lithium Valley region have been
17 very looking at, which is called the California Competes
18 Tax Credit Program, that is a corporate income tax
19 credit program. So, Corporate Income Tax Credit is what
20 I'm going to be talking about for the next several
21 incentives.

22 That means that you are only able to utilize
23 the credit if you are a company or business that is
24 generating an income tax liability within California.
25 So, there's sometimes, you know, startups, or folks that

1 have a lot of upfront capital who aren't able to
2 generate that liability to be able to utilize that
3 income tax credit yet, but there's a lot of businesses
4 who do, or there's businesses who grab the income tax
5 credit and they hold it until a year where they are
6 profitable and able to utilize the credit.

7 So, this is a credit that is designed based on
8 how much a business is investing in capital and jobs
9 within California over a five-year period, and what are
10 the competitive factors that make them more applicable
11 to receive an award. So, is that out of state
12 competition, are they a project already existing in
13 California and thinking about completely, you know,
14 shutting down within California or leaving out of the
15 state, or doing an investment in another state? Those
16 are all factors that lend to higher weight in the
17 application.

18 And there's also, you know, high poverty, high
19 unemployment areas of which, you know, in Imperial
20 County and in Riverside County there have been areas
21 that have been included on that quarterly list of where
22 those projects are more favored for the awarding of the
23 tax credit. So, it's really about investment
24 milestones, investment in capital and jobs, and
25 therefore how much do you need in tax credits to be

1 successful within California.

2 Next slide.

3 The next is the most utilized income tax
4 credit within California, it's the R&D income tax
5 credit. So, this is a tax credit based on either
6 expenses you are making in house as a firm for R&D
7 developing new processes, creating new pieces to your
8 product that you are pushing out, or also, basic
9 research parties, payments to third party organizations.
10 So, this very much mirrors the Federal R&D Tax Credit
11 Program. It's a state version, very held up very highly
12 and was, you know, put back in to full by the Governor
13 and the legislature this past year. So, really driving
14 a lot of innovation within California, it is the most
15 utilized incentive is our R&D Income Tax Credit.

16 Next slide.

17 The next that we have is one that is, you
18 know, being looked at a lot lately, which is a New
19 Employment Income Tax Credit. This is an income tax
20 credit for 35 percent of those who are paying 150
21 percent of minimum wage over five years. Each year that
22 they have that new employee on hire, they have to hire
23 that employee from a designated geographic area, of
24 which many of the areas in Imperial and Riverside County
25 qualify as these designated geographic areas.

1 And so, they have to be of someone who is
2 either meets one of the categories listed here. EIPC
3 recipient, they are current Cal-Works, or General
4 Assistance Program, ex-offender, convicted of a felony,
5 veterans separated from the armed forces, unemployed for
6 longer than six months immediately preceding hire, you
7 know, this is some — just some of the factors that can
8 lend to be able to grab that income tax credit when
9 making that new hire, and encourage folks from hiring
10 from specific high-poverty, high-unemployment designated
11 geographic areas within the state. So, it's an income
12 tax credit for businesses to utilize as well.

13 Next slide.

14 And in that vein, we also created a separate
15 tax credit related to hires this past year with the
16 legislature and the governor, which is a homeless hiring
17 tax credit. So, think of it also like an income tax
18 credit, but it's not a percentage of wages, it's a bulk
19 tax credit for \$2,500 to \$10,000 for hiring those who
20 have had — been formerly homeless, and who have been
21 verified of receiving services from a homeless services
22 provider. We've actually heard a lot of good praise of
23 this type of program, because it puts the onus on the
24 service providers to be able to do the certification,
25 not having to put the onus on the business or the

1 company that is seeking to make the hire. So, a new tax
2 credit that we have here in California.

3 Next slide.

4 So, that covers the income tax credits within
5 California. Now, I'm going to be talking about
6 equipment in partial and full sales tax exemptions, or
7 exclusions. So, California has a partial sales tax
8 exemption for manufacturing and R&D in California
9 available all the time. It is a simple form with our
10 California Tax and Fee administration. And, it is up to
11 a 3.9 percent for those who are making — buying
12 equipment.

13 So, if you're going to buy, you know, things
14 that are necessary for your manufacturing processes,
15 whether it be batteries or you're manufacturing some
16 type of cathode material, you know, what are the — your
17 equipment that are necessary for you to be able to make
18 that operation happen. There's a sales tax exemption
19 that is available, up to four percent, it's available by
20 the state all the time for manufacturers to utilize if
21 they fit a (indiscernible) program and (indiscernible)
22 requirement, or they speak with CDTFA about their
23 business and why they may, you know, be able to fulfill
24 the requirement or they are a manufacturer as they think
25 is defined.

1 So, next slide.

2 Which brings us to the other sales tax
3 program. And so, there is a — also a program called the
4 California Alternative Energy and Advanced
5 Transportation Financing Authority, of CAEATFA. It is
6 an acronym — so that — a lot of folks, I think, have
7 been familiar with in the lithium space as of late.
8 There's a proposal within the budget related to CAEATFA
9 for lithium specifically.

10 It is a full sales and use tax exclusion. So,
11 if you think in the last slide, the exemption that is
12 always available to companies of 3.9 percent, the
13 exclusion is essentially excluding you from all sales
14 tax that you would normally pay for equipment. So, this
15 would include special districts, city, county, on top
16 for that equipment and investment.

17 There are caps within the program, and there
18 are carve-outs for smaller projects set aside under the
19 program. But you can see the different types of four
20 categories — the manufacturers, and advanced
21 transportation technologies, recycled feed-stock,
22 advanced manufacturers, and that definition has a lot of
23 different elements that are eligible. And then, of
24 course, you know, in this last year they created an
25 emerging industry category, of which lithium was el—

1 was, you know, identified by the CAEATFA board for that
2 program.

3 So, it opens up every calendar year, so we
4 will have another round within December-January
5 timeframe. And that is at the Treasurer's Office.

6 So next slide.

7 Next, about workforce training. I know that
8 this has been discussed in the Commission before as the
9 Employment Training Panel. Those who pay unemployment
10 insurance in California are eligible for ETP. It is a
11 training reimbursement program, where the state is
12 providing funding for training that you as a business
13 are making.

14 You can come back and create additional
15 contracts, you can also partner with community colleges
16 in a multiple employer contract. We've seen that in
17 industry cluster specific applications like aerospace.
18 Also, I think it's being explored here within Imperial
19 and Lithium Valley as well. So, definitely a different
20 type of funding, not a tax credit, but something that a
21 business can get right off the bat.

22 So, next slide.

23 And so last, I'm just talking about some of
24 the place-based incentives. One of them is California
25 Opportunity Zones. Our office does manage the

1 California Opportunity Zones website, which is
2 opzones.ca.gov. I know it's also listed within the
3 studies of the Commission.

4 It is a place-based incentive created by the
5 federal government. Our role as a state is to provide
6 education and information on the incentive. California
7 is a non-conforming state, so we do not offer the
8 capital gains tax incentive for Opportunity Zones on the
9 state level. However, we are the number one state in
10 Opportunity Zone investment in deals by far. So, there
11 is a lot of traffic in that capital here within
12 California.

13 So, go ahead and go to the next slide.

14 And so, really quickly, you know, we have a
15 staff full time that can be able to cover Opportunity
16 Zones and speak with anyone about them specifically.
17 But, when we designed — we redesigned this website, it
18 talked a little bit about the benefits and you can see
19 on the left hand slide some of the place-based
20 highlights on our mapping tool on that website, where
21 I've pictured and took a screen shot here.

22 The green areas are new market tax credit
23 areas, which is another place-based incentive, to
24 attract investment in certain types of projects. The
25 blue are Opportunity Zones. So, you see there are quite

1 a few large tracts in the north end of the Sea. The
2 Opportunity Zones were des— they were picked by an IRS
3 metric, so the state did not have a role in specific
4 designation. But there was an opportunity for local
5 governments to swap tracts with the Department of
6 Finance. There has not been any changes to the law that
7 allows you to switch tracts since, but there has been
8 discussions in DC about changing the incentives, and I
9 think there's a lot of different folks have been
10 providing feedback.

11 The main piece of this incentive program is it
12 provides a tax incentive for investors to invest capital
13 gains within a project, whether that be housing, or a
14 business, or any type of infrastructure, and it explains
15 what that capital gains tax incentive is there on the
16 slide.

17 The other benefit that we really like to
18 highlight, specifically more so with the program, is
19 there are over 270 federal programs at the federal
20 government that give preferential pointing consideration
21 to Opportunity Zone related projects, even if the
22 project isn't in the OZ, maybe it's servicing the OZ,
23 you can go on to grants.gov and be able to select on the
24 left hand side which of those grant funding
25 opportunities that have that priority consideration.

1 So, a different type of benefit other than the normal
2 thought of tax-incentive.

3 Next slide.

4 Last, this is what I covered at the last
5 meeting that I presented, but there's Enhanced
6 Infrastructure Financing Districts, there's Community
7 Revitalization and Investment Authorities, there's a lot
8 of different economic development districts. The link
9 is there in the title for those to explore. We have a
10 webpage that has them all, some of them streamlined
11 affordable housing, some of them work to build
12 infrastructure like broadband or utility and
13 transmission or fix sidewalks or do parks, community
14 centers, libraries, things for the community.

15 So, these are tools that capture, you know,
16 increment from — to bond against from future property
17 tax capture, based on what the appreciated value of that
18 property tax will be, to bond against to be able to do
19 in-term economic development. So, it's really a local
20 tool, but we have been seeing so many communities across
21 the state utilize and implement these tools to do
22 economic development that this bond would support.

23 Next slide.

24 And that's it for me, so thank you so much.

25 CHAIR PAZ: Thank you, Tre. While we invite

1 Dan Adler, I do want to say for the record that — and
2 Welcome, Commissioner Castaneda, and I also want to note
3 that Commissioner Flores was going to be stepping out, I
4 think he already did at 2:30. So, I don't know if we
5 need to do another roll call to establish quorum, or—

6 MS. PALMA-ROJAS: We have quorum.

7 CHAIR PAZ: We have quorum. Okay. Thank you.
8 So, we will move forward with Dan.

9 MR. ADLER: Great. Thank you very much. I
10 hope you can see and hear me okay. It's great to be
11 with you today, I'm Dan Adler, Deputy Director for
12 Climate Finance at the State Infrastructure Bank.

13 Similar to the programs that Tre outlined, I'm
14 going to go through, fairly quickly, some of the
15 financing strategies and support mechanisms that IBank
16 brings to bear. It is a lot, and you just had a
17 tremendous amount of information passed towards you.
18 I'm going to give you a similar list of financing
19 approaches but will definitely welcome further feedback
20 and opportunity to engage to navigate a lot of this.
21 But, Tre did a good job of highlighting some of the
22 places that folks can access for the guidance services
23 that are essential to really make best use of these
24 resources. I'll add myself to the list of folks who are
25 keen to help as this critical project set unfolds.

1 Let's go to the next slide. Why don't you go
2 ahead and jump to the next one please.

3 So, the State Infrastructure Bank is well
4 established, but frankly, not all that well known.
5 Certainly, in recent years, we have labored to make it
6 more relevant and impactful in climate and
7 sustainability infrastructure, and now, with the
8 creation of some new capacities, we're also able to
9 engage in direct lending. So, what is distinct from the
10 incentives frameworks that Tre outlined, is that the
11 IBank is essentially the states full-service development
12 finance authority. It's created in 1994, as you can see
13 there, it's got a range of different tools.

14 What it does is provide support of direct
15 capital and enabling other lenders through guarantees
16 and conduit bond issuances to engage and understand what
17 the state's critical infrastructure goals are. And in
18 doing that, we can provide our own low-cost capital.
19 Maybe more impactfully, we can help find the low-cost
20 capital that's out there in the market. And I think
21 this is crucial and under-appreciated, we can also help
22 connect the dots across other programs. And that's a
23 theme I'll come back to at the end of my short slides
24 here as it relates to Lithium Valley.

25 It's one thing to provide a useful, sort of

1 discrete incentive, or direct loan, but it seems to me
2 that it would be most impactful for the state to use
3 this development finance capacity to stitch it together
4 and make it efficient for private parties and local
5 partners to navigate and draw-down these resources when
6 we're all aligned on the benefits and goals of the
7 program, or an infrastructure development strategy.

8 But often the hard part is just making the
9 pieces fit together. And GO-Biz is great at that, IBank
10 is a part of that agency, but we focus on the direct
11 provision of debt capital where we can, with again, an
12 increasing interest in sustainability. And to our
13 colleagues at the DOE, we've been very closely in touch
14 with them on the loan programs office, and keenly
15 interested in bringing those resources to California
16 wherever we can.

17 Let's go to the next slide.

18 So, the core programs for IBank. The first
19 and sort of the most established is the State Revolving
20 Fund. This has done hundreds of millions of dollars of
21 infrastructure finance, it's enabled billions of dollars
22 of bond issuances. It is a traditional, I would say,
23 sort of municipal lending function, but it does a
24 tremendous amount of good.

25 And, an interesting question, as it relates to

1 the broad Lithium Valley goal is, there's a lot of
2 advanced technology being discussed, there's a lot of
3 private parties and entrepreneurship, but there's also
4 the need to build the public side of assistance at the
5 same time, so that the development meets the needs of
6 the community, but also is balanced, and it's not just
7 the interests of an individual firm or technology, but
8 the full vision is actually brought to bear. So, the
9 State Revolving Fund, in its capacity as a municipal
10 lender, can be an ally to that.

11 Within what we call ISRF, the state fund,
12 there is a climate financing program that's the better
13 part of 10 years old. It's essentially focused is on
14 municipal lending in green and sustainable
15 infrastructure goals. So, it's an adjunct to it. It's
16 been around for a while, and part of our role, my
17 mandate, is to get more traction with that, make it more
18 useful, and find more interesting projects that we can
19 do with this, again, public-sector-aligned loan program.

20 The Bond Financing Program is a key, and
21 actually very robust aspect of what IBank brings to
22 bear. The — its possible for parties that have
23 complicated infrastructure project needs to work with
24 IBank to access the bond markets directly. And, through
25 our counsel and our services, potentially find lower-

1 cost capital at sort of a quicker path to getting that
2 financing in play. So, that's what's known as the
3 Conduit Revenue Bond Program.

4 And, a key piece that might be of interest for
5 this conversation, is the small business finance center.
6 By small business, we mean in this context, up to 500
7 employees. And what this can do, is backstop as much as
8 80 percent of a several million up to potentially \$5
9 million loan to a business that is active in a priority
10 community, certainly delivering the social benefits and
11 priority community engagements that we seek to find.
12 But, enable other private lenders to engage with that
13 community and provide that capital, because there's an
14 80 percent backstop.

15 So, Lithium Valley, at least in, I think, the
16 vision that we're trying to espouse — yes, it's the
17 large-scale industrial transformation of batteries and
18 clean power, but it's all the other business activity
19 that comes from the spill-over effects and multipliers.
20 And so, those entities should consider the Small
21 Business Finance Center a supporting capital provider
22 and partner as the broader vision unfolds.

23 Let's go to the next slide. Just a little bit
24 more. Let's actually click through to the rest of the
25 graphics on this slide, if you would.

1 A few examples on the ISRF side of what has
2 been financed in the past. You can see the critical and
3 diverse nature there. On the climate financing side,
4 again, this is the municipally oriented components.
5 Traditional government infrastructure with a clean
6 energy, climate, safe drinking water, healthy
7 communities emphasis. So, those are projects that have
8 been done. And again, we're keen to do more where we
9 can with funding that is presently available.

10 Next slide.

11 A few more details on the Bond Financing
12 Program. You can get a feel for the types of projects
13 that have been supported. Manufacturing can be directly
14 supported through the industrial development process.
15 This is — you become part of the tax-exempt bond
16 financing conversation in California. We have a limited
17 — robust, but limited allocation of tax-exempt bonding,
18 and there are a lot of competing priorities.

19 Our interest, and certainly my interest, as
20 the climate lead at IBank, is to see more sustainability
21 projects get into the consideration for tax-exempt bond
22 financing. Which isn't to say the other priorities,
23 housing etc..., don't have merit, but this is an aspect of
24 the infrastructure development challenge that has not
25 taken advantage of tax-exempt bonding as much as it

1 might. And, those green bonds are hugely in demand.

2 So, where there's more demand than supply, the cost of
3 that capital could come down.

4 So, we're keen to see how we could bring those
5 forces to bear for Lithium Valley and the sustainability
6 agenda more broadly. We also service public agencies,
7 non-profit, cultural institutions etc...

8 Next slide, please.

9 And then, coming to the close here on the
10 Small Business Financing Center. I mentioned this
11 entity, the SBFC. Interestingly, so this is a very
12 well-resourced program, and it is partnered with the
13 U.S. Treasury and potentially in all likelihood
14 receiving significant new capital infusion, so even
15 independent of the money that is discretely allocated to
16 IBank for climate and sustainability, this is all-
17 business support. Again, that 80 percent cover — tens
18 of thousands of businesses have been supported in
19 California with this mechanism. Certainly through
20 COVID, it's been a great conduit for business support, a
21 lifeline if you like.

22 This new California Rebuilding Fund is a very
23 dynamic, locally oriented, credit support facility that
24 IBank is helping to establish. So, really keen to see
25 that benefit, these critical climate strategies, and the

1 approach to Lithium Valley broadly.

2 And then lastly here, the Climate Catalyst
3 Fund. This is the newest tool in the IBank toolset,
4 which just passed, finally, and capitalized at the end
5 of last year. We have our rules and strategies in place
6 now, we have a limited allocation of capital for bio-
7 economy solutions and hopefully into sustainable
8 agriculture.

9 We heard earlier in this meeting about the
10 Governor's May revised proposal in the budget to create
11 a pool of resources to help jumpstart the transmission
12 expansion effort to access Salton Sea geothermal. And
13 then set in train all the beneficial synergistic effects
14 between geothermal power production, brine, and then the
15 Lithium Valley chain from there.

16 The notion of this capital, which we're
17 certainly not certain of its arrival, because it still
18 needs to go through the state budget conversation, will
19 be to help jumpstart that transmission development
20 exercise, because that is a key piece. In some
21 respects, it is stuck in that the market hasn't taken
22 shape around the transmission asset.

23 There hasn't been the ability for the state to
24 put meaningful resources on the table. It's not enough
25 to fund the whole thing, that's for sure. But, by

1 putting flexible capital first, we can bring down the
2 cost of that transmission development, and help, again,
3 to sort of organize the conversation in a slightly more,
4 I'd say targeted, and frankly, urgent way, than is
5 possible if state — public capital isn't participating
6 with private. That's the goal, we'll see if the
7 conversation proceeds beneficially through the budget
8 exercise.

9 But IBank is poised to be a — hopefully a
10 collaborative partner for all the folks in the Salton
11 Sea, Imperial area. Focus on that transmission line,
12 demonstrate the value of this public-led development
13 effort, and then the beauty of the IBank is that it
14 revolves those funds back into the next generation of
15 projects that the policy makers and communities
16 prioritize for.

17 So, keen to get that started and certainly
18 hopeful that — go to my last slide, I think there's some
19 contact info there. Let us know how we can help across
20 these programs, and you can reach me directly from the
21 IBank website as well. So, thank you very much, I
22 welcome any questions if there are.

23 CHAIR PAZ: Thank you. And, we will now
24 welcome Peter Streit.

25 MR. STREIT: Great, thank you. I'm Peter

1 Streit, I'm an investment officer with the California
2 Organized Investment Network, or COIN program. We're
3 housed in the California Department of Insurance. COIN
4 is a program that seeks to facilitate investments from
5 insurance companies and the asset management industry
6 into underserved communities and environmental projects
7 within the State of California.

8 So, my purpose of being here today would be to
9 let you know about the COIN program, what we do, what
10 our capabilities are, and if there's anyone looking to
11 raise outside capital from private investors, the COIN
12 program can help facilitate that process through some of
13 the initiatives that we have, and partnerships that we
14 have with institutional investors who have a tremendous
15 amount of capital to put to work.

16 So, the — to give a little bit of background
17 on the COIN program. We started in 1996 as an agreement
18 between the insurance industry, community developers,
19 and the Department of Insurance, to create something
20 akin to the Community Reinvestment Act that — the CRA
21 program that governs the banking industry. That's a
22 mandatory program where banks are required to re-invest
23 in the communities in which they operate. So, they
24 negotiated that into what now is the COIN program.

25 So, that was then expanded to not only include

1 community development investments, but also investments
2 with environmental impact as well. So now, since then,
3 it's kind of evolved into a program that, like I said,
4 generates investment dollars to California projects that
5 benefit, provide benefits to both the community and the
6 environment.

7 To give a little background on the investment
8 industry, they hold about \$50 trillion of investable
9 assets in the United States. Of that 50 trillion or so,
10 there is about \$17 trillion invested in sustainable
11 investments.

12 A lot of that is invested in things that for
13 COIN doesn't quite qualify, such as ESG investments and
14 corporate stocks or bonds that have, you know, exhibited
15 some form of social responsibility, but not necessarily
16 providing products or services that provide social or
17 environmental benefits. These would be things like
18 putting solar panels on your office roof or, you know,
19 creating some sort of, you know, community reinvestment
20 type of project that isn't necessarily the focus of the
21 company.

22 So again, those are not something that COIN
23 would work with. We'd be more involved with things like
24 real estate, mortgages in underserved communities,
25 solar, wind, water projects that benefits the

1 environment, and obviously, a lot that has to do with
2 the Lithium Valley projects that you all are working on,
3 including the lithium extraction.

4 So COIN itself, for the insurance industry
5 that we track, they've invested about \$38 billion as of
6 year-end 2020 in COIN-qualified investments within the
7 state of California. That's up from 22 billion in year-
8 end 2015, so about 75 percent growth over that five-year
9 period. So, investments of this type are obviously
10 increasing dramatically. That kind of — that mirrors,
11 kind of, the growth that has been experienced in the
12 overall social responsible investing industry over that
13 time period, which has grown at about an 18 percent
14 compound annual growth rate during that time.

15 So, there are active — there are a lot of
16 investors out there on the institutional side, on the
17 private capital side, that are seeking investments that
18 provide this type of support to communities like yours.
19 We'd be interested to hear from anyone who is — has a
20 project or community development, or environmental
21 project that is seeking more capital, and we'd be happy
22 to work with anyone to help access that — those private
23 markets.

24 So again, if you would like more information
25 on the program, you can reach out to the COIN program,

1 I'd be happy to set up a call to discuss your
2 investment, as well as the COIN capabilities and what we
3 can do for you. I'll put my contact information in the
4 chat box, and you can email us at our group email
5 address, which is coin, C-O-I-N, @insurance.ca.gov. And
6 again, we'd be happy to speak with you with how we can
7 help with this important project. Thank you.

8 CHAIR PAZ: Thank you, Peter. And thank you
9 to all our presenters. I will note that some of our
10 panel speakers today have had to step away, and others
11 will not be able to stay for the remainder of the
12 workshop. So, I want to thank them for these
13 presentations, and I want to see if we have any
14 questions from Commissioners while some of the panelists
15 are available.

16 Please note that comments can be taken later
17 at the end of the workshop from Commissioners, and there
18 will be a public comment as well after the workshop, but
19 at this time this is an opportunity in case
20 Commissioners have specific questions for the panelists.
21 And that — I do have a burning question, and then I'll
22 pass it to you, Commissioner Olmedo.

23 I have a question, and first again, this is
24 for the Department of Energy if they are still here. I
25 don't know if Karen and or Samuel are still here?

1 They're not. Okay. So then, I will not ask my
2 question, because it was very specific—

3 MR. GILLARD: I am here.

4 CHAIR PAZ: Oh, okay. Samuel, thank you. You
5 got here—

6 MR. GILLARD: Yup.

7 CHAIR PAZ: And uh, well thanks Karen, for
8 being here, and Secretary Granholm for her visit, and
9 President Biden for, you know, giving this community —
10 the attention. My question is specific to the equity
11 plan. Can — do you have any definitions around what an
12 applicant might be interpreting to mean for community
13 benefits, is there anything that they're required to do
14 in specific, or is it left open to the applicant?

15 MR. GILLARD: Yeah, I think we are still in
16 the process of defining what benefits really mean. Full
17 disclosure, I'm, you know, I'm a battery scientist. So,
18 we have a team at DOE that that's their full-time job,
19 and I think there will be guidance on what those
20 benefits should entail. But, I think that there will be
21 guidance. I've gone to some of the training, but I'm
22 definitely not an authority on how necessarily to
23 quantify any of that. So yeah, apologies if I'm unable
24 to be specific enough. But yeah, I don't know if there
25 is an answer at this point for your question. But, it

1 is something that DOE is working hard on.

2 CHAIR PAZ: Okay, thank you for that answer.

3 And, I wanted to commend the Department for moving in
4 that direction. I do believe whenever public dollars
5 are being used, we should be looking at what the direct
6 community benefits might be. And, I am more than happy
7 to speak to anyone in your Department about the
8 guidance, and to offer that community perspective as
9 well. But thank you. And I, again, I want to emphasize
10 that I commend the step that the Department has taken in
11 thinking about an equity plan as part of these R&D
12 grants.

13 And, are there any other questions from — yes.
14 Commissioner Olmedo?

15 MR. GILLARD: I was just really quickly, I
16 would absolutely agree with you. I think the more we've
17 learned about this, the more we understand how important
18 that consideration is, and it's definitely not something
19 the Department is taking lightly. So, I think this is
20 an evolving picture for sure within the DOE. But, you
21 know, it is definitely an important thing, and our
22 Secretary is, you know, definitely emphasized that both
23 in public and in DOE meetings as well, just the
24 importance of community impacts on the work that we do.

25 CHAIR PAZ: Thank you. Commissioner Olmedo?

1 COMMISSIONER OLMEDO: Thank you, Madam Chair.
2 First I want to recognize that these conversations that
3 we're now having are with the intent (indiscernible).
4 It's become very clear that the Biden administration and
5 Governor Newsom administration are very committed to
6 delivering on equity and justice. That's clear. I know
7 that the many — the historical — the history and
8 longevity that it took to get here is not something that
9 can be fixed overnight, and I understand the challenges.

10 But, I do want to recognize that — I want to
11 recognize Assembly Member Eduardo Garcia, because
12 without his vision of pushing a policy that created the
13 Lithium Valley Commission, we wouldn't have access to
14 this information. I knew that many of these programs
15 have existed. But frankly, I think they've been kept
16 away from the ears and the access of disadvantaged
17 communities and put only in the hands of a few who know
18 how to access these programs.

19 And that's why it's really important to
20 continue to reach out and have these meetings in the
21 community. Just as we are today in Calipatria, because
22 there's not just large business, there's small business.
23 And we shouldn't have anybody put a paywall or have to
24 hire consultants and experts, or be having of a
25 membership to a certain association so that they have

1 access and information on how to bring those resources —
2 whether it be tax incentives or there is investments,
3 and being put in the hands of disadvantaged communities.

4 And one thing that I've been able to see in
5 recent years is that there has been a lot of investment
6 going into the innovation space and therefore still a
7 very privileged space. There are a lot of opportunities
8 here to assure that the — there is inclusion of
9 locality, ELA's, longevity requirements, primary
10 response infrastructure buildings, landscapes, spaces,
11 community benefits agreements as our Commission Chair
12 has brought up, assuring that there is a local center
13 that — a service center. Just like we have a USDA
14 Service Center, we need to have a Service Center for
15 everyone else too, that may not be in the agriculture.
16 Right? These programs are designed for — I already
17 thought of a lot of businesses here, small and large,
18 that can take advantage of these programs.

19 So, I don't really have a question, per say.
20 I just wanted to make that recommendation and encourage
21 you to continue to make yourselves available, and if
22 there is an opportunity to open a Service Center out
23 here, I would encourage that, whether it's Department of
24 Energy, or the various programs from the state, because
25 I do know that it's headed in a better direction. And,

1 I — again, that's — it's just more of a comment than
2 really have a question.

3 CHAIR PAZ: Thank you, Commissioner Olmedo.
4 Just a reminder, we'll take questions now and then we
5 can have, maybe, further deliberation on a lot of the
6 things that are probably on everybody's mind. So, are
7 there any other questions from Commissioners here in
8 Calipatria?

9 I do not see any. Are there any questions
10 from Commissioners via Zoom?

11 I do not see any. So, thank you and, um —
12 thank you for our panelists, again. And I do want to
13 pause and acknowledge that we are here and all the
14 technology is working very well, thanks to Comite
15 Civico, and their leadership, their team, so thank you.
16 Thank you to Ryan Kelley and the County for providing
17 some of the equipment as well, and Calipatria High
18 School for hosting us and for providing the snacks. So,
19 didn't want to keep going without acknowledging you and
20 thanking you for all the effort that you put. And, Of
21 course the California Energy Commission, who is always
22 supporting us and making sure that we are getting our
23 things in order.

24 So now, I would like to hand it over to
25 Commissioner Castaneda to introduce the next panelists.

1 COMMISSIONER CASTANEDA: Alright. Thank you.
2 Thank you, very much, Chair Paz. Today's workshop is
3 focused on local, state, and federal incentives and
4 investments to facilitate lithium extraction from
5 geothermal brines and development of lithium dependent
6 products and businesses.

7 The first session, which we've just seen, is
8 provided an overview of federal, state, and local
9 incentives and research programs. The second session —
10 is it not working? Well, I'm sorry. Oh, we're already
11 — okay.

12 (Pause)

13 MS. CARRILLO: We can hear Commissioner
14 Castaneda.

15 COMMISSIONER CASTANEDA: You can hear? Okay.

16 MS. CARRILLO: Online.

17 COMMISSIONER CASTANEDA: Well, so, I just
18 wanted to — since the preamble has been done, and I
19 apologize for being late. But, I wanted to introduce
20 the next panel, which are two speakers. We have a
21 workshop on incentives and investments to facilitate
22 lithium extraction from geothermal brines and
23 development of lithium dependent products and
24 businesses. We have Jon Gay, who is an administration
25 official within the County of Imperial. I'm not sure

1 exactly what his title is, but he is in charge of
2 infrastructure within the county and has been an
3 integral part in the crafting of the proposal for a
4 master plan for lithium extraction, as well as industry
5 cluster development in that regard.

6 And our second speaker is Jonathan Weisgall,
7 who we all know. He is a representative of Berkshire
8 Hathaway, who is well invested here in geothermal energy
9 generation, and obviously, an integral part of our
10 Commission. And so, I'd just like to kick off our
11 speakers. Mr. Gay?

12 MR. GAY: Thank you, pleasure to be here
13 today. So, I'll be speaking mostly from the local
14 perspective. But, the residents here, in regards to
15 (indiscernible) this process started months ago. Our
16 department is involved, the Director of Public Works for
17 the County of Imperial. I think a lot of us here —

18 (Pause)

19 MS. LOZA: We are not, not able to hear him —

20 (Pause)

21 COURT REPORTER: Mr. Gay, your audio cut out.

22 (Pause)

23 The audio in the — at Calipatria is muted.

24 (Pause)

25 MR. GAY: Okay. Testing? Those on Zoom, can

1 you hear?

2 COURT REPORTER: Yes, we can.

3 MR. GAY: Okay, very good. Apologize for
4 that. Again, my name is John Gay, I'm the director of
5 Public Works for the County of Imperial. I've had the
6 privilege of being able to be involved in some of the
7 earlier discussions with regards to Lithium Valley.
8 Meeting with our local stakeholders, here, as well as
9 with our development community.

10 I can tell you, I've been doing this for 20
11 years here, locally. I'm from the area, I'm actually
12 from the North End, and this is really the first time
13 that it has been a very collaborative process. I've
14 done a lot of development, but I'm very excited with
15 regards to a lot of the conversations we've had with all
16 of those involved. And I think, if we continue with
17 this process, we're going to have a lot of benefit for
18 everyone involved.

19 It's just going to take a lot of time and a
20 lot of commitment. And a lot of transparency, too. And
21 so, from that perspective, I will speak to some really
22 quick numbers, just so we provide context to what our
23 needs are. We are — we at the County of Imperial —
24 there's 58 counties, we're one of the larger counties by
25 size. We're about the size of San Diego County. We

1 have 2,500 miles worth of roads, and 125 bridges.

2 And why that's important, is because when you
3 compare our county against the other 58 counties in this
4 state, we topped out at number five in terms of number
5 of road miles in the unincorporated area. And, when we
6 come in terms of funding, we're around 21st. That's
7 with the adoption of SB 1. I — that's an important
8 number that I've been telling the community, because
9 funding is critical to our existing needs today.

10 And those of us locally know what we have been
11 involved with. We are the canary in the coal mine when
12 it comes to infrastructure. We are on our third
13 emergency bridge project in the last two years. So,
14 we've shut those bridges down, and we're going to
15 emergency replacement, because they were close to
16 failure.

17 So, it is a dire need today. And, I want to
18 make sure our public understands that, because as a
19 community, we have to come up with local solutions, as
20 well as look towards opportunities, such as Lithium
21 Valley, because that represents real opportunity for an
22 injection into our infrastructure.

23 So when we started out this process, we had a
24 lot of different players that we were speaking with, and
25 one of the early things that we decided to do —

1 collaborating with my counterpart in our planning
2 department, Mr. Jim Minnick, we decided to put together
3 a plan — it's really three parts.

4 The first part of the plan would be a
5 programmatic EIR to look at this Lithium Valley area, to
6 make sure that we're identifying all the environmental
7 issues and constraints relative to what's being
8 proposed. We also are looking at putting together a
9 specific plan, and my task is looking at the
10 infrastructure needs. Not only for Lithium Valley,
11 while that's very important. What we also decided to
12 do, based upon a lot of the early conversations we've
13 had, was look at quality of life improvements.
14 Particularly for our townsites. So, Nyland is one of
15 those, as well as Calipatria.

16 Those areas are within what we call this
17 Lithium Valley Zone. That area is really bounded by
18 Highway 78 to the south, Highway 111 to the west, the
19 railroad as it cuts north-westerly, and then we have the
20 Salton Sea up in the corner. And so, that area is
21 really surrounded, also, by water. So, if you think
22 about the area itself, you have the Salton Sea as a
23 large body of water, and then you have the Alamo and New
24 River that are crossings. You have crossings to get to
25 there, which are bridges.

1 And so, it became very apparent that
2 infrastructure was going to be a dire need very early
3 on. Given the state of our infrastructure, that we've
4 been closing down some of these bridges, we needed to
5 really act fast. And so, we did. We put together a
6 request for proposal, we went out, we solicited, we do
7 have a consultant, we haven't entered into an actual
8 agreement yet, because we're working on funding for
9 that. But, to this Commission's credit, and to the
10 credit of all the stakeholders involved, and the
11 discussions with the Governor's Office — as part of the
12 May revise, there is a placeholder for money to help
13 with this plan. And so, that's a credit to, I think,
14 this body, and the conversations that our board had, and
15 all the negotiations that were happening at that time.

16 The plan itself, and what we're looking at,
17 it's fairly broad. It's going to be the largest plan
18 that this county has ever undertaken, from a — an
19 assessment standpoint. Again, to give you scale, we've
20 developed in the last ten years since I've been here,
21 about 15 thousand acres of solar. Those of us that live
22 here, and those of us know, a lot of solar has been
23 developed in the south end, and some up in the
24 northwestern quadrant of our county. We're talking
25 about a potential for that size and maybe four times

1 that size for Lithium Valley. So, it is significant.

2 And, the infrastructure we're going to be
3 looking at, not only roads and bridges, we'll be looking
4 at broadband. So, we know that there's gaps. We have
5 gaps in our broadband capability, whether it's for
6 communities, or whether it's for key points up in where
7 we want this development hopefully to occur.

8 We'll be also looking at our typical
9 utilities, water and sewer. It's important for the Zoom
10 community to know, and then maybe for, you know, those
11 in the audience that — those that live here understand
12 that a lot of the water that's provided up in the north
13 end is either private — so we have Golden State that
14 provides water to these communities, and there may be
15 barriers with regards to that, right?

16 And so, to look at that and to look to see how
17 we can maybe look at water in a larger context, maybe as
18 a public system, potentially, or maybe as individual
19 private systems. As this develops, we're going to
20 anticipate that. This growth is going to be organic
21 over time, and that we may have private systems, but we
22 need to look to see whether or not at scale, we should
23 maybe consider a public system at some point in time.
24 Sewer, the same way. Depending upon how this area
25 develops is very important as well.

1 But the idea of the plan is really three fold.
2 The idea of the plan is first to identify gaps and how
3 we can facilitate development. And more importantly,
4 develop — understand from the community's perspective,
5 whether its Nyland, or Calipat, those residents, from a
6 quality of life perspective, what kind of improvements
7 would those residents want to see?

8 We can anticipate what those are. My staff
9 can anticipate, but we want to hear that. And so,
10 there's going to be a public outreach component as part
11 of this. We purposely put that in based upon these
12 conversations we've been having with a stakeholder
13 group. Because, we want to know, are sidewalks more
14 important than community art? We want to know what
15 those drivers are, so then we can help implement that
16 within the plan.

17 And then the third, hopefully most exciting
18 component of this is, we can leverage our own local
19 dollars. So, with development, there's going to be an
20 expectation that they have to pay their fair freight
21 when they come in. They'll go through an environmental
22 study and there will be direct impacts and there will be
23 cumulative impacts. And as such, they'll be expected to
24 pay. But with a plan, an infrastructure plan, the
25 County can also go out and leverage that with grant

1 monies.

2 And so, we know that the administration,
3 whether it's at a federal level or at a state level
4 through Build Back Better, has pushed out a lot of
5 money. So, to have a plan that's been vetted by our
6 community, that's been adopted by our community, we can
7 use that and get out in front for hopefully grants for
8 some of this infrastructure that we're looking at,
9 whether in the townsites or closer to maybe where these
10 developments occur.

11 And so, I'm excited about it. It's probably
12 the largest development that I've been involved with to
13 date. It has a real potential to change our community,
14 to provide more diversification of our economy. And
15 most importantly, provide hopefully more infrastructure,
16 because we are in definite need of that. So, that's
17 kind of the quick and short synopsis. I'd be happy to
18 answer any kind of questions.

19 As part of this, we're going to be engaging a
20 lot of the public entities. We cannot develop without
21 our local public agencies, whether it's IVTA, the
22 Imperial Valley Telecommunication Authority, the
23 Imperial Irrigation District, nothing happens without
24 their support and their comment, but it's going to
25 involve a host of our special districts as well. So,

1 we're going to be moving on that, hopefully, within the
2 next couple of months, to take to our board adoption of
3 a contract with the consultant at hand so we can begin
4 this outreach , so.

5 CHAIR PAZ: We will take questions after the
6 next panelist. Thank you. And our next panelist is
7 Jonathan Weisgall.

8 COMMISSIONER WEISGALL: Thanks. My name's
9 Jonathan Weisgall with Berkshire Hathaway Energy, proud
10 to be a member of the Lithium Valley Commission. But a
11 big thank you to Calipatria High School for hosting us
12 and big shout out to the California Energy Commission,
13 you continue to do great support work, and for Comite
14 Civico for helping here on all the audio and video
15 which, I must say, has gone remarkably well.

16 It's kind of nice to play cleanup, because I
17 think that Tre and Dan did a wonderful job talking about
18 California incentives, and Karen and Samuel on the
19 federal side, and Jon Gay going at the local side. So,
20 I want to kind of wrap this up.

21 I, listening to everyone speak, I think big
22 picture, what are incentives all about? You know, at
23 one level I can talk about the incentives for Berkshire
24 Hathaway Energy, or the other developers looking at
25 extracting lithium. But, I think that incentives really

1 have two big parts.

2 One, is what is good for the industry. The
3 other, as you've heard, this has got to be good for the
4 community as well. And there are lots of incentive
5 programs out there that can benefit and should benefit
6 the community.

7 A little bit of background on our company.
8 Most of you may remember us as Cal-Energy. We actually
9 started more than 40 years ago as a small company. I
10 joined in the late 20th century, I think as employee
11 number 12. We were exclusively a geothermal company,
12 that's all we did, 100 percent renewable energy, here in
13 Imperial County, adjacent to the Salton Sea, within a
14 couple of miles from where we are.

15 We have grown a lot. We were acquired by
16 Berkshire Hathaway in 2000, become a much bigger
17 company. But our DNA is still with renewable energy,
18 still with geothermal. And geothermal power over the
19 years has not been very competitive with wind and solar.
20 We have not — we have put a lot of money into wind and
21 solar in California and in other states of the country,
22 but geothermal has simply been more costly. I think
23 it's a better resource, because it's 24/7. It's not
24 intermittent.

25 But, because of the nature of the resource

1 here, that brine that has the lithium, has got a lot of
2 other impurities, especially iron, and all of that has
3 made it — makes it very expensive to run a geothermal
4 plant. I mention that, because if lithium works, that
5 will also be good for geothermal power. It will help
6 lower the cost of geothermal.

7 We've had a workforce here of over 40 years.
8 We've had a varying number of employees, but it's been
9 hovered around 200 for many years. We are part of the
10 community. Obviously, we are not a startup. We care
11 about the community. So, incentives are important for
12 everyone.

13 The — in terms of specific incentives, I
14 really only have two new ideas to put on the table. As
15 I said, I think that the first panel did a great job
16 outlining what is available in Washington D.C., and Tre
17 and Dan and Peter also, for COIN, also talking about
18 state incentives. So, my two limited ideas — I guess
19 one is at the federal level, one is at the state level.

20 The — I remember being in law school, a
21 professor saying, you know, the internal revenue code is
22 one of the most important, if not the most important
23 part of federal legislation that can affect behavior. I
24 think Dan put up a slide, a very quick reference to
25 section 501c3 of the internal revenue code, charitable

1 contributions.

2 Every single theater, symphony, ballet
3 company, museum, opera company in this country exists
4 largely because of section 5013c, Charitable Deductions.
5 There's a lot you can do with the internal revenue code.
6 In the renewable energy business, there has been a
7 production tax credit since 1992, I believe, that has
8 been a tremendous incentive for wind development, and
9 also an investment tax credit that has been crucial for
10 solar development.

11 My idea would simply be at the federal level,
12 something like a PTC, Production Tax Credit, more likely
13 an Investment Tax Credit, for minerals production, for
14 lithium production. You heard Karen Skelton talk about
15 how lithium goes well beyond Imperial County. It is a
16 national security issue. As we look at, especially now
17 with the war in Ukraine, and what the effect has been on
18 the supply chain, and how so much construction and so
19 much industry is stalled in this country because of
20 supply chain issues. Not just Ukraine, COVID,
21 inflation, you name it. But to have that domestic
22 source of these critical minerals is essential.

23 So, it's — this is something that can be good
24 not just for Imperial County, but for California and the
25 country. And that could be one more incentive. You

1 know, incentives really — I kind of think about this as
2 there are carrots and there are sticks if you want to
3 encourage an industry. In other words, a carrot is an
4 incentive. If you do something, here's what you will
5 get for it. You don't have to do it, like that
6 production tax credit, if you want to build a wind farm,
7 here is what you will get as an incentive.

8 The other part of that is the stick, kind of
9 the mandate. I guess what comes to mind in California
10 is the renewable portfolio standard. The mandate that
11 by X date, this state will have — and now, what started
12 as a 30 percent renewable portfolio standard, then 50
13 percent, and the goal is now higher. That is a mandate.

14 I think a mandate for lithium, and this is my
15 second idea, and I'm stealing here from Assembly Member
16 Garcia, who really first proposed this, but his bill is
17 not going anywhere this year, but I think it should,
18 which is something like a Buy California act. Something
19 that — a bill that would say, kind of like we have in
20 Washington D.C., Buy America provisions. Well, why not
21 legislation that would say if the state, for example,
22 has a contract with a company that requires the use of
23 electric vehicles, that the lithium in that vehicle, or
24 a certain percentage, must come from California or
25 certainly a disclosure, like a content, where does that

1 lithium come from. That, I think, would be a mandate
2 that would help encourage even more lithium production.

3 But that's on the industry side. The other
4 side of this coin though, and you've heard it from
5 others, and I'm not the best spokesman on that. I think
6 our Chair Paz, and Commissioner Olmedo, and our tribal
7 representatives are much better than I am to talk about
8 the importance of lithium for the community, and where
9 incentives have to benefit the local community. What I
10 can tell you, is that as a company, we fully embrace
11 those ideas and those goals.

12 And I guess the best way I can put it, is to
13 say that whatever develops here, and incentives are
14 certainly a part of it, but economic opportunity, as you
15 heard from John Gay, sort of a bigger picture developing
16 the county, the bottom line is that lithium development
17 has got to be good for industry, but it's got to be good
18 for the community as well.

19 And if it's not good for both, it's not going
20 to work well. As the industry, one industry
21 representative, we are committed to making sure that
22 there is a major role for community involvement. And
23 again, others on this Commission speak to that more
24 eloquently than I do, but we're talking about
25 educational opportunities, STEM, the need for STEM

1 education, the need for community college work, more
2 investment there, community outreach, and full
3 transparency on the part of developers what we're trying
4 to do.

5 A little bit of what I said is self-serving.
6 We want to put resources into STEM education and into
7 education in general, because we're going to need a
8 large workforce here in Imperial County. It's that
9 simple.

10 A good 75 percent of our hires come from high
11 schools and community colleges. So, you can hear about
12 lithium, and you can — yes, we need engineers, yes, we
13 need chemists. But, a lot of our hires, the
14 preponderance of our hires, are — even in our existing
15 geothermal facilities, are from high schools and
16 community colleges, and they are local hires. We are
17 going to need more, we want them to be local. So, for
18 us, these kinds of community investments are very
19 important. We think that this is a tie that will lift
20 all bridges — I mean, that will lift all boats.

21 The bottom line here, is there's a real
22 opportunity for upward mobility for a workforce here in
23 Imperial County. At a minimum, when we go commercial,
24 which we hope will be within the next four years, that's
25 going to be 200 new jobs.

1 And, if we are successful in expanding our
2 geothermal facilities, which is not part of what the
3 Commission is talking about, but as a company we are
4 looking at doubling those facilities, thanks in large
5 part — Commissioner Reynolds obviously knows the details
6 of a, essentially a mandate, if you will, by the
7 California Public Utility Commission, that will put more
8 geothermal onto the grid. As we plan for that, we will
9 also plan for more lithium. So, the potential here is
10 for hundreds of new jobs, and we are just one of the
11 companies doing that.

12 But, I guess that's my bottom line that I want
13 to emphasize, which is that in this whole discussion of
14 incentives, it's got two parts. It's incentives that
15 will reduce the cost of doing business and therefore
16 make lithium profitable in this county. To the extent
17 that's profitable and that leads to good jobs, that's
18 great, but it's also got to result in the kinds of
19 community benefits that allow — will allow us maybe ten
20 years from now, to look back and say we did this right.
21 We got the community involved, and we developed lithium
22 in an inclusive and transparent way. So, those are my
23 thoughts. Thanks.

24 CHAIR PAZ: Thank you, Jonathan. At this
25 time, I will ask if there are any questions or comments

1 from Commissioners. And, I'm going to switch it up a
2 little bit. I don't typically call on people, but I do
3 want to make some space to invite Commissioner Alice
4 Reynolds to introduce herself, as this is her first
5 meeting, and open up the discussion. So, Commissioner
6 Reynolds?

7 COMMISSIONER REYNOLDS: Sure, thank you so
8 much, Chair Paz. And I'm really pleased to be here.
9 Glad to be joining this Commission. I am, as Chair Paz
10 said, Alice Reynolds, the president of the Public
11 Utilities Commission. I have been in my position for
12 about a little over four months now, so fairly new to
13 the Commission. I am familiar with the issues of the
14 Lithium Valley Commission from my former role as an
15 advisor to Governor Newsom.

16 And so, I really look forward to continuing
17 that work and getting to know a little bit more about
18 the Commission, Lithium Valley Commission's work, in my
19 new role at the PUC. So, I am — I'm sorry I couldn't be
20 with you in person today, I'm not quite as far away as
21 DC, but I am up here in Sacramento, and I do look
22 forward to getting down to the Salton Sea area as soon
23 as possible, and learning more about the local area from
24 a first-hand visit. So, that's something that I'm very
25 much planning to do and looking forward to.

1 I don't have any specific questions for this
2 set of panelists, although I will just make a couple of
3 comments. Mr. Weisgall mentioned the PUC's procurement
4 orders for geothermal, and really the interplay between
5 geothermal production and lithium recovery. And we are
6 — that is something that we are taking into
7 consideration, very much focused on at the PUC as we
8 develop processes and orders for the entities that are
9 providing power to transition to clean power. We're
10 looking for different sources, diverse set of resources.
11 So, it's, you know, solar, wind, that we are obviously
12 focused on, but also geothermal, as a source of
13 production of energy.

14 We do have an order out that calls for the
15 type of resource that geothermal provides. It's a great
16 compliment to the grid, and we are thinking about
17 getting over some hurdles to increase production of
18 geothermal. Looking at different ways to do
19 transmission, and you heard a little bit about the
20 Governor's proposal for the budget for financing of
21 transmission. I'm very interested in helping to kind of
22 pull together all of the pieces to help projects move
23 forward, as well as keeping at the forefront community
24 benefits. And, I was really pleased to hear the
25 presentation about the community plan and the local

1 sessions to development a better understanding of
2 community's focus and priorities.

3 So, I think that the great thing about this
4 Commission is that it brings together all of those
5 pieces, and so I'm looking forward to just learning
6 more, participating more. I think this panel was a
7 great start to that.

8 So, I will leave it at that, and turn it back
9 to you, Chair Paz.

10 CHAIR PAZ: Thank you, Allison. We look
11 forward to having you down here in the Salton Sea region
12 too.

13 Is there anyone else in Sacramento who might
14 have public comment, or comments? No. Okay. I will
15 now come back here in Imperial, if any of the
16 Commissioners have either questions or comments?

17 And Commissioner Castaneda?

18 COMMISSIONER CASTANEDA: Thank you very much,
19 Chair Paz. I wanted to ask John Gay, from the County —
20 and just to, if he could come back up. And I, you know,
21 I want to just sort of follow on what Commissioner
22 Reynolds had to say. I, you know, when we first spoke,
23 and I, you know, I told you about the opportunity and
24 requested to see if you could come speak to us, I was
25 extremely intrigued and impressed with the level of

1 detail that the county and you've — certainly you and
2 your staff have put in to thinking of this planning
3 process.

4 You know, we've spent a lot of time in the
5 last year and, I don't know, two or three months that
6 I've been on this Commission, talking a lot about
7 economic development, environmental justice, about
8 education, about the industry, and what's needed there.
9 But — and we need to. That — those are extremely
10 important things.

11 But one of the things that I kind of thought
12 was missing from the, you know from the discussion, was
13 the physical infrastructure. The things that basically
14 need to be in place in order for industry to operate and
15 industry to grow. You know, we all heard about supply
16 chain issues and things like that, and clearly, we can't
17 build an industry and then put it at the end of a cul-
18 de-sac with one road in and one road out, that would not
19 be very, very smart.

20 So, I was looking at it, and thank you to the
21 staff that sent the Governor's information to g— on the
22 budget message regarding lithium, and I wanted to just
23 ask you, because I read this and it kind of sounds like
24 maybe this is what the Governor and his staff have in
25 mind, is the \$5 million to support the Salton Sea

1 region, through evaluation, community planning, and
2 engagement, is that some of the dollars that you — that
3 the county is looking at?

4 MR. GAY: So, yeah. So quickly the Governor's
5 plan, and why it's important, and then kind of what
6 we've been doing as well at a local level. There's
7 three parts of that lithium plan, I think, that our
8 board put together in consultation with all the
9 stakeholders.

10 Those three elements of the May revise are the
11 \$5 million for this community engagement, and it's
12 really my focus is on the physical assess — the physical
13 infrastructure assessment. What I'm really excited
14 about, \$80 million for STEM for the Brawley campus, I
15 think that's fantastic. A lot of our engineers come
16 from the Mexicali region. I was trained under an
17 engineer from Mexicali, great engineer. We want to keep
18 our engineers local, to the extent possible. But that
19 is just a huge impact if that can get into the budget
20 and pass.

21 And finally, the tax element. We did put in
22 that plan \$50 million for infrastructure. And so, you
23 know, being a little bit myopic, I was a little
24 concerned that it wasn't there. But understanding
25 process, and understanding being proactive, you know,

1 again working with county staff, we put together
2 congressional earmarks, so we didn't sit on our hands.
3 So, we put out \$25 million worth of congressional
4 earmarks, specific to bridges up in the north end. Two
5 of those are wooden bridges. We got word back that
6 Congressman Vargas supports — we got support from — we
7 got letters of support, but I think Congressman Vargas
8 may push that into an earmark for at least one of the
9 bridges, which we'll consider a win. Because we need
10 that today.

11 And then, we also put together raise grants.
12 So, these raise grants, I think, are federal grants. We
13 put \$10 million grant together for the Nyland community
14 for sidewalks. We'll be speaking with that community
15 tonight, letting them know what we've done. As well as
16 another \$20 million grant for a bridge that is closed
17 today, De Anza Road Bridge, which is east of Calexico,
18 which is a critical corridor for transportation for
19 infrastructure, for supply chain from border up to the
20 north.

21 So, these are things that we do here locally
22 that my three engineers do. So, we put these together.
23 Apart from maybe looking to see where the budget is
24 going to shake out as we continue to speak, as we
25 continue to engage our residents here and the

1 stakeholder groups to see if there is any other
2 opportunities that we always look for. So that's just
3 kind of a synopsis of what we've done. I'm very excited
4 about the May revise, and hopefully, you know, we can
5 see more.

6 COMMISSIONER CASTANEDA: Thank you very much.
7 The other — the second part of my question is, and I
8 think that you talked a lot about it in your discussion
9 here today, but we also talked a lot about it, and that
10 is the specific emphasis on community engagement and
11 community sort of outreach through that. And, what you
12 had told me is that one of the key factors that caused
13 you to select the contractor or the consultant that you
14 are, was that they had to have a very good track record.

15 So, maybe — you did touch on it a little bit,
16 but I just wanted to assure people that that is going to
17 be probably one of the most primary elements of
18 developing this plan. And so, one of the things that,
19 you know, certainly many of us have talked about is
20 making sure the community is not left behind and making
21 sure that their needs and their desires are heard and
22 responded to as possible. So, maybe if you could talk a
23 little about that a little bit more, that would be good.

24 MR. GUY: Sure.

25 COMMISSIONER CASTANEDA: Thank you.

1 MR. GUY: So, as part of the request for
2 proposal there is specific language in there that
3 requires our consultant to go out and engage the SJ and
4 EJ communities that are here. We want to make sure that
5 all voices are heard with regard — specifically when it
6 comes to the infrastructure component. And my focus,
7 again, was really kind of looking and drilling down
8 closer to the communities where they live. You know,
9 we've been involved in a lot of different projects here
10 locally. We've worked with Comite de Civico on 6-17
11 with our APCD department, and so we're doing the largest
12 sidewalk project, I think, in the county to date.

13 We are funded for roughly \$6 million worth of
14 sidewalk. And that was really through the mechanisms
15 that we have here locally that have been afforded to us
16 through legislative actions at the state level. But
17 that process is very open and engaged. And so, we want
18 to emulate that to a certain extent. I think that's
19 important because again, Nyland residents know what they
20 really want. Calipatria residents know what they really
21 want. And so, we need to go to those communities and
22 hear what they have to say.

23 Our plan is going to be a blueprint, really,
24 right? So, we're going to put together some lines on
25 paper and we're going to cost it out, you know, bridges,

1 roads. But, I think when we get really granular into
2 the communities, there may be things apart from maybe
3 just putting sidewalks everywhere, right?

4 So, we want to hear from them and understand
5 that, and then maybe incorporate that.

6 CHAIR PAZ: Are there, are there any other
7 questions from the Commissioners here?

8 CHAIR PAZ: Yes, Commissioner Vice Chair Ryan
9 Kelley.

10 VICE CHAIR KELLEY: First, I want to welcome
11 Commissioner Reynolds, it's good to see the Building
12 Commission represented, and we do look forward to seeing
13 you in the room.

14 I do want to add — you know, I've known John
15 for many years. So, some of the things that got skipped
16 over is rail and air will be included in (indiscernible)
17 so there will be much beyond all elements, including the
18 earmark— or not the earmark, the revise. That money
19 will also include a health assessment for the
20 communities of the Salton Sea, and it will also allow us
21 the opportunity to stand up a Lithium Valley office to
22 help us on the permitting needs of the industry. So,
23 the community engagement, of course, will be a part of a
24 consultant agreement and there will be additional layers
25 as well for engagement in the community.

1 To the topic that was discussed by Mr.
2 Weisgall and Mr. Gay, the county has, from the beginning
3 with the conversation with industry talked about trying
4 to promote. And the question I had asked the Department
5 of Energy when, I don't know if Ms. Skelton is still on,
6 but it is basically — under the grant programs from DOE,
7 it is if you find an interested private entity, that
8 they are eligible to be able to invest in manufacturing
9 in this area.

10 The county is interested in being able to
11 foster that in any way that they can. And I know that
12 it's premature, because we're talking about something
13 that hasn't been finalized and approved yet, but we're
14 open to that conversation and seeing how a severance tax
15 revenue, if it is a value add if it is manufactured in
16 Imperial County, that there is a rebate of some of that.
17 And that's to be determined. I know that Jonathon is
18 taking notes. But, I'm sure he has heard me say it
19 before. We want to promote. It's not just about the
20 extraction, it's about manufacturing and industrial
21 development that can happen. Thank you.

22 CHAIR PAZ: Thank you. Are there any other
23 questions or comments? I see Commissioner Weisgall.

24 COMMISSIONER WEISGALL: Yes, Commissioner
25 Weisgall. Vice Chair Kelley has reminded me that I did

1 omit the fact that the revised budget will — there will
2 be a tax on lithium, or call it a royalty, call it a
3 severance.

4 And 100 percent of that should be coming back
5 to the local community. Again, this is all up in the
6 air and there are others in Sacramento who know more
7 than I do about where the process is going, but in the
8 lobbying that I've done, it has really been to ensure
9 that that revenue comes back to the community.

10 As a company — I only went back 15 years —
11 but, as a company, we've paid \$85.9 million in property
12 taxes over the last 15 years, all of those dollars came
13 to Imperial County. That's where we do business.

14 This revenue from lithium extraction is, in
15 some sense, I think, will be seen as an incentive. Call
16 it what you want, the bottom line is that this is part
17 of an overall package that will benefit the local
18 community. So, what it turns out to be, how much, how
19 it's based and how it's divided remains to be seen. But
20 certainly in the latest iteration that I've seen, 100
21 percent should be coming back (indiscernible) and other
22 infrastructure (indiscernible) to be decided. But as a
23 company that (indiscernible) the facts, it's certainly
24 not for us to decide where that revenue should go, other
25 than to urge that as much as possible it comes back to

1 this community. So, I just wanted to point that out as
2 one more aspect of this overall package we've been
3 talking about. Thank you.

4 CHAIR PAZ: Thank you, Commissioner Weisgall.
5 I believe Commissioner Olmedo, you had a question or
6 comment?

7 (Pause)

8 COMMISSIONER OLMEDO: Just a comment. First
9 of all I just want to take the opportunity to welcome
10 Commissioner Reynolds. I'm really, you know, glad to
11 see you. It's been a while, but I've had a great
12 opportunity to work with you in the past, so, glad to
13 have an opportunity to share this Commission with you
14 and I look forward to working with you.

15 And, just want to thank the presenters, and
16 I'm glad that this package that has been presented gives
17 us a direction, and ultimately, we've had industries
18 come in and go. I think it's clear that a lot of these
19 lack of infrastructure, deficiency in infrastructure,
20 has been as a result of lack of investment, lack of
21 priority, and undelivered promises. And I definitely
22 want to believe, you know, the industries such as
23 Berkshire and others who are proposing projects.

24 But I think that the best outcome is when you
25 document it. When it's statute, when it's on community

1 benefits agreements, and I have no reason to believe
2 that it wouldn't turn out that way this time around. I
3 think we've already have plenty of examples in our
4 community where industries come in and the negotiations
5 haven't gone well. Handshake deals.

6 I know we are a community that is very
7 trusting. But I think this time around I do want to
8 encourage the public — I was really glad these students
9 were brought here earlier today, and that the teacher
10 that brought the students was able to work it out, at
11 least for, you know, the short time that they were here.

12 And the only way that we're going to be able
13 to get relief and investment in infrastructure is by
14 having community engagement and having all of you
15 informed, whether all of you who are joining this
16 meeting in the Zoom, or those who are here in the
17 audience. So, we really highly, highly encourage your
18 participation, and I want to thank the presenters that
19 have given us their information thus far. Thank you.

20 CHAIR PAZ: Thank you. Are there any other
21 questions, comments? No? Commissioner Hanks.

22 COMMISSIONER HANKS: I'd like to make a couple
23 of comments. You know, whenever we look at all of this,
24 everyone here who is interested in knowing what's going
25 on in their neighborhood, whether it be opportunities.

1 I can assure you, if you're like me, it's almost
2 overwhelming when you start talking about a power line.
3 One power line that's going to be 180 million, and
4 that's just a small part of what we're talking about
5 here.

6 We're talking about billions of dollars of
7 investment. And that's great. You know, we understand
8 the tax base and the plans. But, I think that most of
9 the people here are looking at this and saying, "What
10 opportunity is there for me? Is there a type of service
11 I can provide? Is there a type of business I could open
12 up? Could I open up a beauty shop, could I open up a
13 barber shop, could I expand my welding shop, could I
14 expand my tire shop, and so forth."

15 So, when they see all of these things, and the
16 possibilities of investments and so forth, that's good,
17 to know that we've got the back up for this development.
18 And, I think at some point in time — and it may not have
19 to be to the Lithium Commission, it may be through some
20 of the sub-committees. I think there should be some
21 type of a workshop, or something, where we could bring
22 in our economic development people and they could share
23 some of the small business opportunities and so forth.

24 But, I'd also like to point out, there's a
25 young lady in the back here (indiscernible) schools

1 here, and you can see by the facilities, there's been
2 work in the infrastructure within the school system to
3 prepare for this day. And they started 20-something
4 years ago. And, of course, we hoped that it would be
5 here before now, but this school, for example, could
6 probably handle 20 or 30 percent increase in the number
7 of students they have. And, if development came in,
8 housing and so forth, I don't think they would even have
9 to pay a developer fee because you have capacity and
10 room for it. There may be a couple of areas that need
11 to be upgraded, but those are the things, you know, when
12 I hear Mr. Gay talk about infrastructure and so forth,
13 we have a town here with very few sidewalks, very few
14 curbs, okay. How does the city start reaching out and
15 preparing for development that will come? How do they
16 move ahead, like the school did? The school was
17 fortunate, because it had a tax base that was put
18 together by the geothermal that's already been
19 developed.

20 So I just want to — the point I was saying
21 that. And, you know, sometimes, even with the
22 presentations and the large amounts of money that I deal
23 with through the IID, this is the investment opportunity
24 and so forth. It's just overwhelming for the average
25 person. And, then I know there's opportunities that

1 will come, absolutely. And so will the businesses that
2 can come into this town. Whether it's some of the
3 businesses that I've mentioned, whether it's a
4 restaurant, whether it's some type of exercise class or
5 whatever, there are going to be opportunities, and I
6 encourage you — please don't be overwhelmed by all the
7 big numbers, you know? Start thinking and planning,
8 y'all, some of the things that you have dreamed of and
9 be ready for it when it comes. Thank you.

10 CHAIR PAZ: Thank you, Commissioner Hanks.
11 You know, the presentations and the dialogue make me
12 think about a few things I've heard in past Commission
13 meetings. And one of them, I remember the first time
14 there was a mention of a royalty or a tax, and then
15 Commissioner Weisgall, I think, said, "Well, you know,
16 the industry's not going to, you know, carry the
17 responsibility for many, many years of lack of
18 investment, right, in these communities."

19 And not exactly his words, but just rephrasing
20 what I heard at that meeting. And looking at the number
21 of incentives that are available for private businesses
22 makes me think that yes, it shouldn't only be the tax
23 spread or fee or whatever requirements are being thought
24 applicable to the lithium industry, should not only be
25 applied to the lithium industry.

1 I think there is an opportunity to be thinking
2 about what is it that our taxpayers dollars are giving
3 us in return, and that goes beyond the jobs, right?
4 Because, we can get 100 jobs, and we can get, you know,
5 good paying jobs, but we need to start thinking about
6 what is it going to take to really transform our
7 communities that goes beyond the charitable donations,
8 which are always appreciated, but we have needs that are
9 costly.

10 I mean, you just — Commissioner Hanks
11 mentioned \$180 million for a transmission line, and our
12 communities should not be asked to choose between having
13 power delivered to their house, having a sidewalk,
14 having a library, or having a park. Our communities
15 need them all. So, I think there is — I'm not an
16 advocate for one size fits all, but I do think we have
17 an opportunity in making our recommendations to the
18 legislature, that they start thinking about what are,
19 sort of the standards, or the things that they will be
20 asking from the recipients of some of these incentives,
21 so that we can achieve the type of change that our
22 communities need.

23 So, I just wanted, again, to thank everyone,
24 all the panelists and Commissioners for the
25 conversation. And, we will now open the floor to any

1 public comments that are relating to the workshop on
2 incentives and investments to facilitate lithium
3 extraction form geothermal brines and development of
4 lithium-dependent products and businesses.

5 A friendly reminder to please limit all
6 comments only to this topic. Keep all comments to three
7 minutes or less, and please, state your name for the
8 record, and we'll invite any speakers to come toward the
9 podium and start lining up. And, we will start here in
10 Calipatria.

11 MS. NOVA-FROELICH: So, my name is Maria Nova-
12 Froelich, and I'm Calipatria City Mayor Pro-tem. I want
13 to share that we're very excited, and we thank the
14 Imperial Valley Lithium Commission for being here today.
15 The workshops were very interesting, and very
16 educational. Want to share that we want to recognize
17 Supervisor and Chairman Escobar, and Supervisor Ryan
18 Kelley, for pushing the Lithium Valley Plan towards
19 getting approval on behalf of the Governor's office.

20 We want to thank the Energy Commission for
21 also being here, and the Governor's office for
22 supporting the lithium project here in Calipatria.

23 I want to share that the Nyland and Calipatria
24 and North End communities have been suffering for a long
25 time due to very little resources coming to our

1 community. I believe that this is something major
2 coming to our community, and so I think it's a game
3 changer. I think that a lot of the — not only the City
4 of Calipatria, but also Nyland, is needing a lot of
5 dollars in infrastructure.

6 We have said, many times, that the Golden
7 State Water has been a handicap to our communities of
8 both Calipatria and Nyland. So, I'm hoping that this is
9 all going to change now with some of the community
10 benefits that are coming in regard to the lithium
11 project. I want to thank Mr. Weisgall for your
12 presentation. I know Mr. Gay touched on a lot of the
13 infrastructure that's needed throughout the whole
14 Imperial Valley, including Nyland and Calipatria.

15 I want to share, also, that we do — we are
16 requesting 30 percent of the community benefits to stay
17 within the North End fence line communities, the
18 disadvantaged communities. But, we also want to share
19 that we stand in solidarity with Imperial Valley as a
20 whole. And so, we thank all of the Commissioners that
21 are here today, and we look forward to working with
22 Imperial Valley community. I want to recognize our
23 Superintendent, Mrs. Angelita Ortiz in the back, for
24 allowing us to have the Lithium Valley be here at
25 Calipatria High School.

1 I want to share too, also, that Mr. Hanks,
2 when he was Superintendent, he really pushed to get a
3 school — the schools built. So, we owe a lot of it to
4 his hard work and dedication to — for the community to
5 carry the bond. Which now, you know, we're reaping the
6 beautiful benefits of having most of our schools — all
7 of the schools renewed and then we have new gymnasium
8 and so on. And so, want to recognize all of his hard
9 work also happening behind the scenes on behalf of
10 Imperial Irrigation District.

11 I want to recognize, also, Mr. Luis Olmedo,
12 for partaking and participating in most of the
13 environmental component that's been happening
14 throughout. And not to leave anybody out, I just want
15 to close by saying that we're very excited about the
16 Lithium Valley coming, and I look forward to
17 participating and working closely with Imperial Valley,
18 and Mr. Ryan Kelley, which has been a soldier working
19 and advocating for the North End community, and thank
20 you very much.

21 CHAIR PAZ: Next speaker.

22 MR. FLORES: Good afternoon, Jose Flores, also
23 an Imperial Valley resident. In regards to the
24 discussion on possibility of having a contact lead,
25 somewhere in D.C. which can kind of filter or assist

1 with direct communication. It's a great idea. Not only
2 to have communication within our county. But also the
3 bureaucracy is kind of tough to get through or navigate
4 through. So, even within their own inter-agency, to
5 have one person as a clearinghouse within their own
6 agencies would be a great benefit and efficiency, which
7 we are in desperate need of.

8 And also, a comment on pie in the sky or, kind
9 of like a wish list, it would be awesome — harking back
10 almost over a decade to the new-deal era. A great
11 opportunity. If we could kind of make something similar
12 to the TVA, Tennessee Valley Authority, or the CCC the
13 Civilian Conservation Corps, and put these Imperial
14 Valley people to work.

15 And hopefully, if there's a lot of — hopefully
16 a lot of geothermal electric energy coming out, maybe as
17 one of the benefits of living in Imperial County is to
18 lower our rates, I don't know, five, ten percent across
19 the board, because sometimes in the summer those bills
20 are very, very expensive. Again, this has been done in
21 the past in U.S. history, so it can be done or
22 replicated again.

23 Thank you to the Commissioners, and for the
24 public to showing up en-masse. We have people here from
25 Bombay, Nyland, and Calipatria recognized, so thank you

1 very much.

2 (Pause)

3 MR. MEZA: Hi, my name is Hector Meza from
4 Brawley. As we were talking about investments in our
5 neighbors, or the biggest investment, I will state the
6 following: The only way we'll be able to ensure that we
7 will have a local hire with a clear path to a strong
8 middle class is through project labor agreements, or
9 PLA's. Which will include a requirement of local hire
10 and using the skilled and trained, which includes using
11 apprentices that are registered in a state approved
12 apprenticeship. We'll need to make sure that the people
13 building all the infrastructure, the lithium plants,
14 manufacturing, and production plants, are built by
15 locals in Imperial Valley. Thank you.

16 (Pause)

17 CHAIR PAZ: Moving on, next speaker please.

18 MS. HERBERT: Sonia Herbert, from Bombay. I
19 was listening to Mr. Gay's presentation about the
20 economic monies that are there. I, just for the record,
21 I would like for some of that monies to be included in
22 Bombay Beach, which is a small community at the very end
23 of the county. And, we're in dire need of some
24 restoration up there. So, I just hope you would take
25 that into consideration. And also, I haven't heard

1 really any input about the effects of wildlife or the
2 birds or even mother earth from this project, and I'd
3 really like to hear more input.

4 CHAIR PAZ: Thank you. Is there anyone else
5 wishing to speak here in Calipatria?

6 Seeing none, I will now ask if there is
7 anybody in Sacramento?

8 (Pause)

9 COMMISSIONER REYNOLDS: Chair Paz, we don't
10 have any members of the public here in Sacramento.

11 CHAIR PAZ: Thank you. Is there anyone
12 wishing to speak through Zoom?

13 MS. LOZA: Yes, we have two hands raised. So
14 first, would be Robert E. Zolesi (PHONETIC), you should
15 be able to unmute yourself.

16 (Pause)

17 Hello? Robert E. Zolesi, you should be able
18 to unmute yourself.

19 Okay. I will move on to Sean Keoni. You
20 should be able to unmute yourself.

21 MR. KEONI-ELLIS: Hello, everybody, how are
22 you guys doing today? My name is Sean Keoni-Ellis. I
23 am an organizer with the United Association of Local
24 Union 230 for Imperial and San Diego Counties.

25 I'm calling in today just to urge the usage of

1 project labor agreements. Unfortunately, in the region
2 if Imperial County, you know, high unemployment rates,
3 and, you know, as a labor organization, our main goal
4 and our main mission is to build a ladder of
5 opportunities for all communities and regions where
6 large projects will be built. So, I'm calling in today
7 to urge that project labor agreements will hire a local
8 workforce. And, in all of Imperial Valley for these new
9 projects that are coming up that are not only going to
10 create a lot of opportunity, but good high road middle
11 class jobs in a region where, you know, we need it the
12 most, right?

13 Right now, I — today, I got off a meeting in
14 San Diego and they're talking about the geothermal
15 energy and all the big opportunities. They're talking
16 about it in Sacramento. So, you know, as leaders of
17 Imperial Valley and Imperial County, and even this whole
18 region, you know, we really need to take the time to
19 really do this correctly. And have provisions on there
20 that can definitely assist the Mexicano and the LatinX
21 communities of that region to really have a good
22 opportunity to not only be part of these great jobs and
23 make real good middle class wages, but, you know, to
24 really uplift that region.

25 You know, you're going to have everything from

1 lithium plants, several of them, to battery storage,
2 battery production plants, and everything in-between.
3 And so, this is a great time to really impact the
4 community, really help out the community, and really get
5 jobs where they can buy homes in the community and have
6 that opportunity to send good tax money back to the city
7 and build great infrastructure.

8 So, you know, thank you for your time today.
9 You know, we are a big supporter of project labor
10 agreements on the Lithium Valley. So, thank you so
11 much, and have a great day.

12 MS. LOZA: We do see a few comments on the
13 Question and Answer.

14 So, the first one is from MVasquez, and it
15 says, "What is the role of private investments to get
16 this going. I am thinking, what is the role of Tesla
17 and other automakers?"

18 The next one is from MVasquez, and it says,
19 "Also as part of the ecosystem of the battery lifecycle,
20 what permanent measures are you placing to ensure that
21 no waste related to any of the phases do not end up in
22 illegal dumps in any community?"

23 The next comment is from MVasquez, and it
24 says, "We know that there will be benefits and impacts
25 as a result of this project. Will you be publishing

1 what those are and the level of impact and distribution
2 over nearby populations?"

3 The last comment is from Hector Cervantes. It
4 says, "You mentioned disadvantaged communities. How do
5 you determine what is a disadvantaged community, and who
6 would get what and how is the money split?"

7 Those are the last questions, and no other
8 hands are raised. So, back to you, Chair Paz.

9 CHAIR PAZ: Thank you. Very good questions
10 and comments. So again, thank you, Commissioner
11 Castaneda and Commissioner Soto. Well, he's not here
12 today, but they put in a lot of time and effort to
13 coordinate this workshop, and thank you to the support
14 that they received from the CEC staff as well.

15 Next slide.

16 We are now moving forward in the agenda to a
17 Discussion of the Preliminary Proposed Findings and
18 Recommendations from the May 12th Workshop on Economic
19 Impacts. CEC staff distributed a document to
20 commissioners, and also made this available to the
21 public through the docket. As noted in the document,
22 the findings and recommendations here are not the final
23 report content. They are preliminary information to
24 assist in developing the report.

25 If we have that document and then you can put

1 it on the screen it might be helpful for this portion of
2 the discussion. But, I wanted to start my — I didn't
3 have anything that I felt needed to be changed in the
4 preliminary findings or recommendations. What caught my
5 attention is that the workshop is — was trying to
6 capture economic impacts, and I believe there is still
7 maybe a gap of information that would allow us to more
8 concretely answer what is the economic impact.

9 And, we've been trying to get at this question
10 both when we had the Workforce Development Workshop, and
11 then again here. So, my recommendation as we move
12 forward on this is that we try to get a maybe more
13 support. I know Control Thermal Resources, at some
14 point, had provided some type of economic impact
15 analysis that, I believe, they have done. But, if we
16 can get to that level where we can feel more comfortable
17 in starting to make a — an estimate of what the true
18 economic impact is directly from the extraction of
19 lithium, but as well the indirect — the indirect
20 benefits.

21 And that is, sort of, the only thing that I
22 wanted to offer. And I'll take any other comments, I
23 think Vice Chair Kelley is ready.

24 VIICE-CHAIR KELLEY: Yes. So, Chair Paz, I
25 would offer that, at the next meeting, that there is an

1 economic analysis for what the potential overall
2 revenue, gross value, and annualized impact that was
3 prepared for the county. It wasn't available for today,
4 and I know Commissioner Castaneda reached out to make
5 that available, but it just wasn't. But, for timing
6 purposes, it may be better after some actions happen in
7 Sacramento. But, I would offer to make that available
8 at our next meeting. And to have that shared.

9 CHAIR PAZ: Thank you. Are there any other
10 questions or discussion around the Preliminary Proposed
11 Findings and Recommendations from the Economic Impacts
12 Workshop? I'm looking first here to my colleagues in
13 the room. Commissioner Weisgall.

14 COMMISSIONER WEISGALL: Just a brief comment.
15 I think the draft is a very good start, and we would
16 just have to give a shout out to California Energy
17 Commission staff who did a really good job of pulling a
18 lot of information that was put out, and they've put it
19 in pretty good form. Little bit of more work, probably,
20 you've made a good suggestion, but, again, just a very
21 fine effort in helping us put these recommendations
22 together. So, a big thank you.

23 CHAIR PAZ: Thank you. Any other comments or
24 questions from Commissioners here in Calipatria?

25 I do not see any. Are there any comments from

1 Commissioner Reynolds in Sacramento?

2 COMMISSIONER REYNOLDS: No, Chair Paz. I'll
3 just add that I think this is — I echo the comments —
4 previous comments, and note that this is a very good
5 draft for us to work with. Thank you.

6 CHAIR PAZ: Thank you. Coming back here to
7 the room in Calipatria, I see a few more Commissioners.
8 So, Commissioner Olmedo.

9 COMMISSIONER OLMEDO: Yeah, I just want to
10 acknowledge that, you know, for creating, you know, the
11 importance of creating good high road jobs, other labor
12 agreements. And that, um, not sure that was in there.
13 And if it's not that we're going to have that there.

14 And, I've heard the environmental and that is
15 important to acknowledge, whether it be environmental
16 justice or environmental management. You know, all the
17 comments today were great, because all of that is — you
18 can make a link to economic prosperity, economic gain,
19 or economic losses for a community. It — you can make a
20 link to job creation. And so, want to make sure that
21 we're bringing the value to making sure that there is a
22 connection in that link from the environmental
23 compliance investment to the job creation to the
24 community benefit as well.

25 CHAIR PAZ: Thank you. Is there anyone else

1 here wishing to speak?

2 Well, thank you everyone, for your comments.

3 I will ask if there is a motion at this time, or we can
4 consider a motion after we hear public comment, but, if
5 there is a motion to approve the preliminary findings
6 and recommendations with, you know, understanding that
7 there are still some other things that we might want to
8 consider when moving forward.

9 COMMISSIONER CASTANEDA: Madam Chair, I'd make
10 that motion.

11 CHAIR PAZ: Thank you, there is a motion by
12 Commissioner Castaneda.

13 VICE CHAIR KELLEY: Second.

14 CHAIR PAZ: There's a second by Vice Chair
15 Ryan Kelley, and we will now open the floor to any
16 public comments relating to the findings and
17 recommendations identified during the economic workshop
18 held May 12th, 2022. And, we will start here in
19 Calipatria. If there are any speakers, you are welcome
20 to come to the podium.

21 MR. MEZA: I just want to ask, do we have
22 copies of the — of that draft?

23 MS. PALMA-ROJAS: Can you please say your
24 name?

25 MR. MEZA: Hector Meza, from Brawley. Do we

1 have a copy of that draft that we can see, other than
2 the screen?

3 CHAIR PAZ: Yes, there should be — So, there
4 are copies provided at the first table of all the
5 materials that are being used at this meeting.

6 Is there anyone else wishing to speak on this
7 item?

8 Seeing none, I'm going to go to Sacramento and
9 see if there are any members of the public there?

10 COMMISSIONER REYNOLDS: We have no members of
11 the public here.

12 CHAIR PAZ: Thank you.

13 And, I will now ask CEC staff if there any
14 hands raised or comments entered in Zoom?

15 MS. LOZA: Don't see any hands raised, and no
16 questions. So, back to you, Chair Paz.

17 CHAIR PAZ: Thank you. So, we had a motion
18 and a second, can we please do a roll call.

19 MS. LOZA: Yes.

20 Commissioner Castaneda?

21 COMMISSIONER CASTANEDA: Yes.

22 MS. LOZA: Commissioner Hanks?

23 COMMISSIONER HANKS: Yes.

24 MS. LOZA: Vice Chair Kelley?

25 VICE CHAIR KELLEY: Yes.

1 MS. LOZA: Commissioner Olmedo?

2 COMMISSIONER OLMEDO: Yes.

3 MS. LOZA: Chair Paz?

4 CHAIR PAZ: Yes.

5 MS. LOZA: Commissioner Ruiz?

6 COMMISSIONER RUIZ: Yes.

7 MS. LOZA: Commissioner Weisgall?

8 COMMISSIONER WEISGALL: Yes.

9 MS. LOZA: And, from the Sac office,
10 Commissioner Reynolds?

11 COMMISSIONER REYNOLDS: Yes.

12 MS. LOZA: So, we have one — so we have eight,
13 it should — it passes.

14 CHAIR PAZ: Thank you. And again, just a
15 reminder that this is preliminary findings, it's not the
16 final report. There will be other opportunities. When
17 the report was drafted to continue to be an input, and
18 for members of the public to participate in that as
19 well. But, thank you, and we will now move on to the
20 next item on the agenda.

21 So this is a discussion of planning for future
22 meetings. And, I want us to consider that we are now
23 near the end of May, and we have held workshops on many
24 of the topics called out in the statute and of interest
25 to all of us. We have a few more areas to explore, and

1 as we plan for future meetings, we will want to consider
2 the overall time needed to complete workshops, review a
3 draft report, seek public input and reflect that input
4 as we finalize the report.

5 So, I will invite Commissioner Hanks and
6 Commissioner Ruiz at this point, to discuss plans for
7 the workshop on overcoming technical and economic
8 challenges to lithium extraction. Commissioner Hanks,
9 why don't you start things.

10 COMMISSIONER HANKS: I think we've had a lot
11 of good information. Very thorough. On the overcoming
12 challenges of lithium extraction, I think we have kind
13 of a — we've touched on a lot of it, but I would like to
14 see us have some of our experts that are doing the
15 pilots and so forth maybe come and give us some reports
16 on the technical aspect of the extraction. Because
17 there's more than one way that they're looking at it.

18 Also, maybe give us a report on their current
19 progress. And then, also, maybe share with us what
20 local resources or infrastructure that they're going to
21 need from, in my case, public utilities, (indiscernible)
22 the county. And, I'm thinking in terms of what is the
23 load requirement going to be for energy, and how much
24 would be left for export, because later on, on another
25 workshop, we will be talking about the benefits of

1 geothermal (indiscernible). And, it would be, I think,
2 very valuable for us to know how much energy is going to
3 be produced and will need to be exported.

4 I would also think it would be important for a
5 lot of the locals to have a little bit of a presentation
6 on mineral rights. Many of the existing plans are
7 private held mineral rights, and maybe even some type of
8 legal advice on, on — particularly on the royalties and
9 so forth.

10 And then, some are held by public utilities,
11 such as IID, the state, and so forth. I would say that
12 virtually all the production now is outside of the
13 established perimeters of the Salton Sea, and that was
14 set aside in 1928 as a repository for agricultural
15 runoff. So, we're talking almost exclusively about the
16 known geothermal resource area.

17 But, there's also some resources that are
18 within the elevations established by the federal
19 government for a repository for the agri-runoff. And,
20 as it seems as we're seeing it, some of that has been
21 exposed, and today, as far as I know, none of the
22 federal ground has been developed, is that correct? So,
23 I think that would be helpful too. And, if there's any
24 knowledge beyond what I know, that involves geothermal
25 resource, how far does that resource extend? I think

1 that would be a very helpful.

2 I also think it might be helpful for some of
3 our developers to maybe give us a little bit of a
4 history on market fluctuations, particularly the
5 minerals and so forth. We know right now the market is
6 extremely high for lithium, but I think we all are aware
7 as, as development comes on, at different places around
8 the globe, those markets may not hold as strong.

9 And then, also, maybe give us just an over
10 review of how signed leases and royalties work. There
11 are leases out there that have been in place for 40
12 years or more. Some less. And there are contracts on
13 the leases, both surface and subsurface rights, and
14 agreements on royalties. And I think that needs to be
15 discussed.

16 I think the rest of it — I'll turn it over to
17 Commissioner Ruiz and let him add to it. I'm also on
18 another committee on the benefits of geothermal, so
19 (indiscernible).

20 CHAIR PAZ: We'll come back to you. Thank
21 you. Commissioner Ruiz?

22 COMMISSIONER RUIZ: Thank you.

23 CHAIR PAZ: Oh, and before— I want to note for
24 the record that Commissioner Flores returned to the
25 meeting at 4:15 at the Sacramento location.

1 COMMISSIONER RUIZ: Thank you, Chair Paz.
2 Some of the concerns have been already addressed in
3 previous workshops. Nonetheless, I think when we talk
4 about coming challenges, I think we need to come in with
5 a 360-degree view in order for us to get a better
6 perspective.

7 I would like to invite the industry to share
8 more. How can — especially because they've been dealing
9 with this a lot longer. I'm pretty sure they anticipate
10 what are the challenges. And, in one of, you know, my
11 concerns is, you know, how can we create a
12 sustainability in the supply chain? Obviously, lithium
13 is the catalyst, right? Lithium is the thing that is
14 bringing more and more of the other supply chain
15 businesses to the area.

16 How can we make sure that the market stays
17 competitive? I was in Utah not long ago, and I spoke
18 with a lot of the residents, you know in the old uranium
19 mines, where they elevated a lot of, you know, the
20 prices to supply the necessity of that point, but then,
21 you know, it collapsed, and the whole economy collapsed.

22 So it is, you know, it is well known in
23 history that, you know, things like that happens. So,
24 how can we make sure, right, that the market remains,
25 you know, stable? At least, we develop a sustainability

1 in that sense.

2 Another thing that I would like to hear is in
3 the midst of the greatest drought that we are
4 experiencing — that I don't even call it a drought
5 anymore, but it's more of a new normalcy — how can the
6 industry and the supply chains remain cognizant —
7 cognizant of the challenges, you know, that we are going
8 to be facing in the region.

9 And of course, you know, I think the
10 environmental impacts, although, you know, they are not
11 necessarily part of the workshop, but I think we can
12 create a — perhaps an overlap, you know, there. As
13 somebody was asking a while ago, no one is talking
14 about, you know, mother nature and the birds and the
15 wildlife, you know. I think, you know, there was also
16 part of the discussion, you know, (indiscernible). Well
17 maybe it should be part of the discussion.

18 CHAIR PAZ: Thank you, both for developing the
19 initial plan of the workshop, and presenting it to us.
20 At this point, I want to ask the other Commissioners for
21 any comments or suggestions that might assist in the
22 planning of this workshop. I will start by adding to
23 some of the things that I heard regarding the
24 identification of what resources are needed, and that in
25 those resources we are considering water. I think there

1 is a question about water that is not very clear to me,
2 and it is relevant in this conversation, as well as the
3 conversation of environmental impacts. So, I would
4 encourage that we do touch on the topic of water as
5 we're talking about the resources that are needed, and
6 whether there is going to be a challenge for that.

7 Other than that, I will now turn to my
8 colleagues. Here, I see Commissioner Weisgall.

9 COMMISSIONER WEISGALL: Yeah, very good
10 suggestions from both of you. I'll go back to our team,
11 and we'll work with you to develop the planning, and I
12 think you should reach out to Controlled Thermal
13 Resources and Energy Source as well.

14 I don't want to backtrack on some of the
15 issues that have been covered in previous meetings, but
16 certainly refreshing people's recollections can't hurt.
17 And, Chair Paz, I couldn't agree with you more. Water,
18 I mean, as we look at challenges, kind of spoiler alert,
19 if you will, but long-term water is a big issue. No
20 question about it. And it needs to be addressed. And
21 should be part of our report to the legislature, there's
22 no question about it.

23 So, all good ideas. I didn't see anything
24 that I thought — you know I mean, sort of the mineral
25 rights 101, how the leases work, I'm sure that we can

1 summarize that, or we can discuss that. And we'll keep
2 that — that may spill over to the geothermal side, but,
3 you know, it works in a similar way. But we'll work
4 with you on preparing that.

5 Do we have a date yet for — or, it's not a
6 date, is it then. It's not our next date, I know that.
7 Is it the one after? Any sense of timetable on it?

8 CHAIR PAZ: We do have a timetable that I will
9 send shortly after, but I — we are looking at June 16th
10 (indiscernible).

11 UNIDENTIFIED SPEAKER: June 16th for the
12 technical challenges?

13 CHAIR PAZ: Correct.

14 UNIDENTIFIED SPEAKER: Oooh.

15 CHAIR PAZ: We will discuss, and then if we
16 need to rearrange, we can rearrange, but that is again,
17 that is on the proposal right now. Talk to Commissioner
18 Castaneda about how much we rushed in. But. Are there
19 any — I think I see Commissioner Vice Chair Ryan Kelley.

20 VICE CHAIR KELLEY: Yeah, I would agree. I am
21 (indiscernible) is brought in, I would like to know who,
22 from the district's point of view the position for
23 industrial water. I know that conversation for pinnacle
24 distribution is happening, and maybe that could be
25 something shared in this venue, and also a part of the

1 overall understanding of the Lithium Valley Commission.

2 And then, as Jonathan just mentioned, it would
3 be helpful, even for myself and others here to maybe
4 have a better understanding of what the geothermal
5 royalty is, the potential property ownership royalty for
6 lithium extraction, and to differentiate of what a
7 proposed severance tax is going to be. Not the
8 (indiscernible).

9 CHAIR PAZ: Thank you.

10 COMMISSIONER HANKS: May I (indiscernible)

11 CHAIR PAZ: Yes, Commissioner Ruiz.

12 COMMISSIONER HANKS: I'd just like to add, I
13 don't want to go into detail now because it's going to
14 be separate, but some of the leases and contracts that
15 have been met — some of the consideration on the price
16 of the energy has been softened by the expectation of
17 the development of lithium and making it more
18 competitive. That's been one of the issues raised that
19 we've heard over and over, that geothermal wasn't
20 competitive. But, also, we didn't have the transmission
21 out of here. So, I think that's going to be important
22 to share in these conversations, that with the addition
23 of lithium, I know some of the contracts that IID has,
24 there's been a reduction in the cost of the energy
25 because of the — of the lithium, which would be a

1 benefit back.

2 But it — in another meeting, we will get into
3 the benefits of the geothermal side not only to lithium
4 extraction, but also to our region that we serve. And
5 also, the state and possibly the whole southwest of the
6 United States. There is a great value, you know. All
7 energy is not the same and expanding an energy base load
8 is a premium. And it has great value to the strength of
9 the grid, not only in California but in pretty much the
10 whole southwest. Thank you.

11 COMMISSIONER WEISGALL: Can I just build on
12 that very quickly?

13 CHAIR PAZ: Go ahead.

14 COMMISSIONER WEISGALL: Vice Chair Kelley
15 talked about the —

16 CHAIR PAZ: Can you say your name?

17 COMMISSIONER WEISGALL: Commissioner Weisgall
18 here. Vice Chair Kelley talked about the — a rebate, I
19 took notes, as you noted, on a severance tax rebate, I
20 think this — let's think about exploring the notion of a
21 green tariff, where a Imperial County customer wanting
22 needing lithium could get a discount on its electricity
23 bill, which would, of course, be largely geothermal, but
24 something to explore. Just to put on the table, so I'm
25 just going to add that to the list, but, it's an

1 interesting idea to think about.

2 CHAIR PAZ: Thank you, and I think this is
3 probably a good segue already into the next workshop
4 that I know Commissioner Hanks is also on, and this is
5 around exploring the benefits to and from geothermal.
6 If you want to elaborate on that one as well? Any
7 plans?

8 COMMISSIONER HANKS: Some of the benefits I
9 was telling you about, and I'm just trying to give you
10 the highlights, there is a feature, a physical feature,
11 called inertia. And, without inertia, your energy's not
12 going to be very consistent, not going to work well.
13 And inertia in this community by a spinning generator.
14 So, whenever you get into wind features and solar, they
15 generate relatively cheap energy. But to get it to move
16 to where you need it, could be tough.

17 It's almost like riding a stationary bicycle
18 and having someone come in and tighten the resistance on
19 you. To keep the same miles per hour, you're going to
20 pump those legs more, you're going to have to put out
21 more energy. And that's kind of where you're inertia.

22 And then there's also another characteristic,
23 called frequency. And, without the correct frequency in
24 your system, you're subject to some blackouts. And I
25 would be the first to admit, I'm not the technical

1 person to explain these, but I think it's very important
2 that we take advantage of this, because this is going to
3 be not only here, but there's — with the lithium
4 development, that there's also research and development
5 on other types of geothermal that may not be as strong
6 as the conventional type, but there's going to be other
7 opportunities here in the Imperial County.

8 And then, you know this energy, I don't know
9 what percent, I'll leave that up to the expert, what
10 percent of geothermal is going to be needed for lithium
11 development, but I know CEC is expecting a large number
12 of megawatts to be exported out into the grid, and
13 that's going to create a need for transmission out of
14 Imperial County. That's been a weak spot for us.

15 We're in negotiations now for the development
16 of some lines, a lot of lines, to get the energy out.
17 And, as I mentioned before, the value of the lithium
18 makes, by combining the geothermal and the lithium
19 together, it makes it more competitive pricewise, and
20 that's very important. And some of the minutes I was
21 going through, we were talking about unemployment in
22 Imperial County. And that through a lot of the kind of
23 jobs that are here, it would take 84 hours a week and
24 you still may not be able to afford low-income housing.

25 So, you can only imagine if people that live

1 here, and in parts of Riverside County, if they had
2 their roots of some of the other agencies, they
3 definitely wouldn't be able to afford the low-income
4 housing. So, it's very important that we be able to
5 supplement as much as possible and take advantage of
6 these lower rates and the geothermal. And it also — as
7 the state and the nation moves towards green energy — we
8 know there in California there's only one nuclear plant
9 left. It's scheduled to be closed, but it's kind of put
10 on hold for a while because we were getting ahead of
11 ourselves. Coal is gone, natural gas is being reduced,
12 something's got to replace it, and this base load and
13 this inertia, and it's going to be very important, the
14 addition of geothermal into the grid. So, those are
15 some of the concepts that they want to talk on.

16 What are the benefits. So, there are benefits
17 that are going to be provided to California, to the
18 region, that we haven't even talked about yet, you know.
19 We haven't given credit towards the geothermal and the
20 lithium development that will benefit us.

21 CHAIR PAZ: Thank you, Commissioner Hanks,
22 again, for presenting your initial thoughts on this
23 workshop. And, as we can see, the workshop on Overcoming
24 Technical and Economic Challenges to Lithium Extraction
25 goes pretty much hand in hand I think with the workshop

1 on the Potential Benefits of and Added Value to Existing
2 and New Geothermal Facilities in Areas that Contain
3 Mineral Rich Brines for the State, the Western Energy
4 Grid, and the United States, Including but Not Limited
5 to Grid Stability, Reliability, and Resiliency, which is
6 the long name for benefits to geothermal.

7 And, for that reason, we will hear later, but
8 the proposal was that maybe have both of those workshops
9 on the same day, and we might even be relying on the
10 same technical experts to speak on both, so I would just
11 ask the CEC team when they're working with the sub-body,
12 if there is a way to do this where we combine them,
13 because, again, I think it might be the same speakers.

14 So, if we can do that, I think we will
15 probably have to get further advice from counsel, but
16 that would be my recommendation, again, given how they
17 complement each other. But, at this point, I will again
18 call on my colleagues to see if you have anything that
19 you would like to add to help with the planning of this
20 workshop.

21 Commissioner Luis Olmedo?

22 COMMISSIONER OLMEDO: Yeah, thank you, Madam
23 Chair. Well, there's the big, big picture, talking
24 about transmission and how you get these renewables out,
25 and there's a couple of things I just wanted to

1 highlight. It's that, you know, I also serve on AB 32,
2 Environmental Justice Advisor and California Resources
3 Board, and there's a lot of talk about relying on the
4 electric vehicle infrastructure, electric vehicle
5 transition. You know, a lot of policy in the state that
6 is striving to be — the pressures of procuring these
7 minerals, right? That we keep talking about, the
8 headline mineral, right, lithium.

9 But there's other minerals there too, that I
10 haven't necessarily seen part of the conversation. And
11 to have its value and has its place in this
12 conversation, and so, with that in mind — with that in
13 mind, it is important to recognize that these pressures
14 in pushing towards a cleaner mobility, it's also
15 creating potential impacts.

16 Putting Imperial in a position of opportunity,
17 but also in a position of worse. So these are going to
18 be things that are going to be necessary that we look
19 at. When we talk about overcoming challenges to lithium
20 extraction, it seems to me, and I know that I think
21 we've been ok with this title, but I'd also like to
22 bring it back and say, there's some blind spots here.
23 Are we missing something when we're looking at this
24 picture, because, I mean, are we just talking about
25 extracting the mineral, or are we talking about

1 conversations about habitat and wildlife and environment
2 and what are the challenges there. Because, when I see
3 it and I read it in this way, you know sometimes it
4 takes a few reads and a few meetings, and a few
5 conversations and a few public comments, and beginning
6 to realize, like, you know. Now it's starting to read,
7 like it's a challenge to who? Right?

8 And so, I think we need to be very clear as
9 this next workshop gets put together, that we're not
10 forgetting about, yeah, the habitat, the wildlife, and
11 the people, right? Because the people are very
12 important, and the fact that it's already a vulnerable
13 community, it's a disadvantaged community, and the fact
14 that we have not a lack of infrastructure, but a lack of
15 investment and a huge long history of lack of investment
16 in that infrastructure that needs to be rehabilitated,
17 needs to be rebuilt, and so, again, you know, the
18 challenges — I, you know, I can interpret in several
19 ways, you know.

20 It's like, how do you extract it, you know,
21 get it in to mass production right? And there's
22 experts, certainly, in the room that would speak to
23 that. But I certainly want to make sure that my role
24 here as a disadvantaged community is that I'm always
25 putting the community front and center.

1 And I want to make sure that at the end of the
2 day, that whatever challenges are there aren't
3 interpreted as a message of needing to exempt, or
4 needing to circumvent, or needing to (indiscernible).
5 Because, we need to now deliver on this demand that this
6 country is leading and the state, you know, is leading.
7 And as an example to the rest of the nation, as an
8 example to the rest of the world, that we don't create a
9 risk or harm. You know, I would say in the
10 environmental justice, is that you don't want to import
11 harm, export harm, or create harm.

12 So, with all that said, I just want to make
13 sure that this — the challenges are encompassing what
14 those challenges are. And I would say challenge is an
15 opportunity. Kind of got to have to go hand in hand,
16 because, again, you know, we don't want a challenge to
17 be interpreted or limited to, "We have to find a way to
18 remove it," right? But how do we turn that challenge
19 into an opportunity, which has been the historical
20 practice, that disadvantaged communities tend to be put,
21 sort of, you know, they don't know, let's not, don't
22 tell, don't say, don't tell, kind of thing.

23 But I want to make sure that the industry
24 succeeds. And I mean that from a very real genuine
25 approach or perspective. If they succeed, and one way

1 to succeed is making sure that we're looking at the
2 whole picture. If we create good jobs, good
3 opportunities, make sure that we are taking care of the
4 habitat, wildlife, the disadvantaged community,
5 everything, the whole picture, then the industry
6 succeeds, because they get to invest in something that
7 is more longer-term.

8 And the last thing I'll say, I think in the
9 challenges. I would challenge, right? I would use the
10 term a little bit different in this case. I would
11 challenge to how — and I've said this before. In
12 California, we're not stopping at cleaner tailpipes,
13 cleaner fuels, we're going for the zero, right?
14 Transportation. I would say, I — you know, as my
15 closing to this comment, but I would challenge that,
16 could we somehow — could we, and I guess this goes back
17 to the industry, is there an opportunity to do what they
18 call cradle to cradle waste management, zero out
19 emissions through technology, through investments.

20 And one more thing before I — I missed this
21 opportunity to say this. It's going to be important
22 that — that IID. I've had a great pleasure work with
23 the county, and learning a lot more how they operate,
24 and the openness. Commissioner Hanks, we need your

1 support in getting the IID to be more open to the
2 community of the Imperial Valley, or its ratepayers. I
3 know that they're just not limited to the Imperial
4 Valley. But, we need IID to be more open, create more
5 access points.

6 And I take the words of Commissioner Weisgall
7 very serious. They've made investments, and I believe
8 that. And those investments aren't necessarily seen by
9 the community, it doesn't mean that those investments
10 haven't been made, it's just not very clear as to how
11 those investments are returning back and creating a
12 positive outcome in, let's say the North End, for
13 example, or anywhere in the Imperial Valley. And so,
14 how is lithium going to make that much difference?
15 Maybe we're talking pennies to dollars, right?

16 But I think it's important to have good clean
17 accounting, and a good understanding. Because, at the
18 end of the day, if the industry steps in and brings in a
19 whole new revenue stream, again, maybe it's pennies to
20 dollars of a difference, then we want to make sure that
21 if there is an old system that isn't releasing those
22 dollars—and I'm not taking away credit from the
23 phenomenal work that's happening right now in the
24 legislature, thanks to our leaders like Assemblyman
25 Garcia, and the Governor's Office, and you know,

1 certainly the county has played a key role in making
2 sure that there's a good package.

3 But we need to make sure that that IID is also
4 helping and being part of that open conversation.
5 Because we don't really know where those dollars are
6 going right now as part of the geothermal operation.
7 So, I would throw that in as a considerable challenge,
8 right? And I say that in the positive sense. I just
9 get a bit passionate and might sound angry and
10 frustrated, but this is a very positive ask, you know,
11 thank you.

12 CHAIR PAZ: Thank you for those comments. Is
13 there anyone else here in Calipatria who wants to
14 provide additional input to the workshop?

15 Seeing none. Oh, I can see Commissioner Vice
16 Chair Ryan Kelley.

17 VICE CHAIR KELLEY: Chair Paz, are you looking
18 for a recommendation for an agenda item for the next
19 meeting?

20 CHAIR PAZ: I am looking right now for a
21 recommendation to your colleagues who are going to go
22 and plan the workshop. So, we have have —

23 VICE CHAIR KELLEY: My recommendation is to
24 consolidate those two matters between Commissioner Ruiz
25 and Commissioner Hanks. And, hopefully to have it

1 inclusive of some of the comments made by the
2 Commission.

3 CHAIR PAZ: Sure. Thank you, yes.

4 Commissioner Reynolds, any comments?

5 COMMISSIONER REYNOLDS: I'll just say that —
6 sorry, is that better? I'll just say that I support
7 that recommendation and I wanted to thank the
8 Commissioners for bringing the topics forward. I really
9 appreciate the work on this.

10 CHAIR PAZ: Thank you. Commissioner Flores,
11 any comments or input?

12 (Pause)

13 CHAIR PAZ: You're on mute.

14 (Pause)

15 COMMISSIONER REYNOLDS: Sorry, Chair Paz. Can
16 you —

17 (Pause)

18 Alright, can you hear me now?

19 CHAIR PAZ: Yes.

20 COMMISSIONER REYNOLDS: Okay. Sorry, I
21 couldn't tell if you could hear, we're having some audio
22 problems here.

23 I'm not sure if you heard my last comment, I
24 did say that I supported the Vice Chair's
25 recommendation, and I also wanted to note that I really

1 appreciate the work of the two Commissioners in putting
2 these topics forward. I think they're very thoughtful
3 and, you know, a good approach. So, I will leave it at
4 that. But I do support the recommendation. Thank you.

5 CHAIR PAZ: Thank you, Commissioner Reynolds.
6 Commissioner Flores?

7 (Pause)

8 COMMISSIONER FLORES: Sorry, wasn't sure if
9 you guys were waiting for any comments. I don't have
10 any comments right now, thank you.

11 CHAIR PAZ: Thank you. So, again, we have two
12 more topics to consider before we go on to discuss
13 future meetings and schedules. So, another topic that
14 has been in the works is that of including tribal
15 perspectives into the conversation. And, I do have a
16 brief update on that potential tribal panel.

17 We are still developing specific plans and are
18 exploring options to hear from tribal communities, in
19 addition to a panel discussion during a Lithium
20 Commission meeting. I will continue to coordinate with
21 Commissioner Scott and Commissioner Lopez, and other
22 local parties, and bring forward an update in a future
23 meeting.

24 The other topic I would like to revisit is our
25 previous discussion on the potential to continue on the

1 environmental impacts. We heard today from a member of
2 the public with questions about — or whether we are
3 going to be provided information or asking — answering
4 what the direct impact of the extraction of lithium is.
5 And so, I think there is — we've heard it today and
6 we've heard it in other meetings, that there are still
7 those questions that need to be answered, as was
8 emphasized by Commissioner Olmedo and Commissioner Frank
9 Ruiz.

10 We, at this point, you know, hopefully some of
11 those things dove tail very nicely with the challenges
12 and the benefits workshop, but we might just need to
13 have an additional workshop that focuses specifically on
14 the waste streams that are associated with the
15 facilities that are planned and in development, I know
16 that's been a question that's remained unanswered, what
17 are the waste streams and what is the role of the
18 regulatory agencies in looking over lithium.

19 So, I know, again, environmental impacts has
20 been a, a topic that has gone over several workshops.
21 And I think it's just because of the magnitude and the
22 types of questions that are important for this
23 community, including the exploration of environmental
24 considerations in the Salton Sea region. And I know
25 there's been interest in this Commission to around the

1 impacts, if any — how does it and does it create a
2 cumulative impact, given the challenges that the Salton
3 Sea region, and the Salton Sea itself already has.

4 So, I would like to hear if any of the
5 Commissioners feel that this is still needed, and if
6 there are any other topics which you would like to hear
7 more information on, or any suggestions specific to this
8 potential continuation of the environmental impacts
9 workshop.

10 Commissioner Olmedo?

11 COMMISSIONER OLMEDO: Thank you, Madam Chair.
12 Just to the topic about the waste stream. You know, I
13 just, over the last few years I've had a chance to see a
14 lot of innovation happening. You know when this state,
15 and this country wants to innovate, they can do it, you
16 know. We can send rocket ships to the moon and rovers
17 to mars. And I know I've said this before, you know, I
18 just feel like I'm a squeaky wheel at this point, but I
19 really appreciate that you bring forth the need to talk
20 about the waste streams.

21 And in the context of — is there technologies?
22 Is there anything that can be incentivized? Because the
23 cost of public health is just far too expensive, because
24 how do you put a cost on a human life? How do you put a
25 cost on, you know, even a child who had died — I believe

1 they might have gone to this school district in Bombay.
2 How do you put a price on that? And I'm not necessarily
3 blaming, you know, a particular industry, a particular
4 source, you know, it's many — but I just — we don't —
5 I don't know.

6 But we know that data shows that this area has
7 high prevalence of asthma, you know. We have been
8 medically underserved and so, would like to make sure
9 that at the end of the day, that we're not transferring
10 those costs and mitigating it at the emergency room,
11 mitigating it through expensive, you know, medical
12 costs. And again, you know, what is that cost? And I
13 would say, to some people, probably there is no cost to
14 being healthy, you know.

15 And so, I certainly would support a workshop
16 that looks at the waste streams. Maybe that's — not
17 sure, I, you know, I look to others also. But I don't
18 want to mis-characterize. I know that's a word I've
19 used in the past with myself. You know, the waste
20 stream, but maybe there's a better way to define it,
21 characterize it, or encompass it all. And I'm open to
22 hearing it and getting educated on that. But it's
23 certainly — I think it's important, again, in the
24 context of how can we do something about it, resolve it,
25 and see if there is technology and incentives out there

1 that can come back here to address it.

2 Again, I said earlier, is there potential for
3 a cradle to cradle, is there a potential for a zero-
4 emissions or capture emissions, recycle them, do other
5 things. I believe that technology is there, and I
6 certainly would like to support that direction.

7 CHAIR PAZ: Thank you. And, I'm seeing we're
8 (indiscernible) these people right on time. So, just —
9 if there are any other, sort of burning comments,
10 suggestions? Commissioner Vice Chair Ryan Kelley.

11 VICE CHAIR KELLEY: I would support
12 Commissioner Olmedo's request. I would ask that it be
13 put back to the following meeting after the June. But I
14 think it would be helpful that industry provide us with
15 what they know, so the waste streams and their potential
16 solutions for mitigation, and hopefully mitigation
17 within the confines of Imperial County.

18 CHAIR PAZ: Thank you for that comment. Any
19 other Commissioners here in the room? I am going to go
20 now to Sacramento. Commissioner Reynolds and/or
21 Commissioner Flores, are there any comments there?

22 COMMISSIONER REYNOLDS: No additional
23 comments, thank you.

24 CHAIR PAZ: Thank you. Okay.

25 Thank you all for your input. With all this

1 in mind, let's look at actual dates. The CEC staff
2 assisted us by conducting a survey of Commissioners.
3 Thank you to everyone who responded with your
4 availability for additional meetings over the next two
5 months. So, while it is impossible to meet everyone's
6 requests, we were able to identify dates for additional
7 meetings and potential longer meetings.

8 I have scheduled the following calendar dates
9 and times for future meetings to maintain our schedule.
10 So, June 16th in the afternoon. At this meeting, I
11 propose that we conduct both the benefits of geothermal
12 and economic and technical barriers to lithium
13 extraction workshops. This will limit the time for
14 additional agenda topics, but I — again, going with the
15 suggestion of merging them so that, you know, we manage
16 well, I think they do — we are in agreement that those
17 topics go hand in hand and the speakers are probably
18 going to be the same.

19 So, if we can do that June 16th, and
20 potentially if we can get an update on the state budget
21 process as well, we will work with the CEC. But those
22 will be the agenda topics. And to provide more time, I
23 would propose that we start the June 16th meeting at
24 1:00 instead of 1:30.

25 So, June 30th, again, in the afternoon, the

1 1:30 time. We can consider holding the environment
2 impacts workshop continuation. So, that would be June
3 30th.

4 July 21st, we will hold a full day meeting
5 from 9:30 to 5:00. I anticipate the meeting on July
6 21st will be an all-day meeting on the draft report.

7 UNIDENTIFIED SPEAKER: Commissioner Paz, I
8 want to say something before you close.

9 CHAIR PAZ: There will be time for public
10 comments after, thank you.

11 The August meeting is scheduled for August
12 25th, and I propose that this also be a full day
13 meeting, as we will be reaching critical times for the
14 final report development and review. And finally, I
15 propose that we schedule the September meeting for
16 September 15th, since the report is due to the
17 legislature on October 1st.

18 There may be additional meetings needed, but I
19 think this lays out key dates for our planning. We will
20 continue to assess dates for additional meetings if
21 needed, and post notice of all meetings at least ten
22 days in advance to ensure the public has notice of all
23 planned meetings.

24 I will now take any comments on the meeting
25 dates and plans from the Commissioners.

1 (Pause)

2 No comments? Great, again thank you for
3 participating in the survey. Are there any comments
4 from Sacramento on the schedule of future meetings?

5 (Pause)

6 I do not see any comments.

7 COMMISSIONER REYNOLDS: Quickly, Chair Paz, I
8 just want to note that I would not be able to make a
9 full day meeting on August 25th because we have a PUC
10 Commission meeting on that day in the morning.

11 CHAIR PAZ: Thank you, Commissioner Reynolds.
12 Noted.

13 So now, we would like to discuss suggested
14 locations in Imperial County for future meetings. We
15 want to hear your considerations, but I also want to
16 note that we do not — we do need to be sure any
17 locations are publicly accessible, meet all requirements
18 for access by those with disabilities and are fully
19 equipped to meet our physical and technology
20 requirements supporting in person and remote meetings.

21 I want to offer that this location worked
22 great. So, if the other location were to be available,
23 maybe that's something that the CEC can support and see
24 if we can hold our future meetings here, but in the case
25 that there was a conflict with using this location, are

1 there alternatives that would work for this community.

2 And again, I will ask for Commissioners to give us some
3 input on that.

4 Commissioner Olmedo?

5 COMMISSIONER OLMEDO: Yeah, I — I mean, I look
6 to others on the North End to suggest, but I'm going to
7 recommend that this be, obviously, first priority. But,
8 second, Nyland has a school that could also accommodate.
9 They were in the middle. I would recommend that we
10 also, aside from putting our recommendations, that we
11 connect with the local leaders to — of the school
12 district to make sure that those, uh, places are
13 available. And I know —

14 (indiscernible back and forth discussion)

15 VICE CHAIR KELLEY: They've got a nice school there. No
16 offense.

17 CHAIR PAZ: Awesome. Well, it's great to have
18 options.

19 VICE CHAIR KELLEY: Westmorland.

20 CHAIR PAZ: Um, so, Calipatria, Nyland, and
21 Westmorland are our top picks. And, if — hopefully from
22 those three locations, we will be able to meet all of
23 our, you know, we will be able to meet there for the
24 remainder meetings.

25 So, if there are no other Commissioner

1 comments on the locations, I will now open it to Public
2 Comment, and I know it's been a long agenda, so for the
3 public, if you can limit your comments to what we have
4 just discussed, which is discussion of agenda topics and
5 presentations for future meetings, the future meetings
6 schedule and location — yes, those are the items that
7 we've discussed.

8 So, in public comments, please state your
9 name, spell your name, and state your affiliation for
10 the records.

11 MS. FROELICH: Okay. Maria Nova-Froelich, F-
12 R-O-E-L-I-C-H, City of Calipatria, Mayor Pro-Tem. So, I
13 invite you to come back to Calipatria if you would like
14 to. Before you sunshine, we would love to have you
15 here. But I want to share one thing about the water
16 that came up. I want to offer our sewer system, if you
17 want to use greywater for anything that you may need it
18 for the lithium, that there's been talk about it. I
19 want to see, you know, if we could be a resource to you
20 as well.

21 And then, I want to put out there for any kind
22 of development, whether it be the manufacture, or
23 anything else, that you consider some of our locations
24 within the city, in regards to industrial or some kind
25 of other type of development. We have — we are happy to

1 report that we have had some inquiries in regards to
2 developing within our city. So, we can already see that
3 we're reaping some of the benefits of having the lithium
4 project coming into our North End.

5 With that said, thank you.

6 CHAIR PAZ: We do not see anybody else here.
7 (indiscernible) wish to speak, I will just confirm in
8 Sacramento if there are any members of the public that
9 you see?

10 COMMISSIONER REYNOLDS: No, there are no
11 members of the public here. Thank you, Chair Paz.

12 CHAIR PAZ: I will now turn to CEC to see if
13 there are any comments coming in through Zoom.

14 MS. LOZA: Yes. We have a few hands raised.
15 Um, okay. So, the first hand should be Art Gertz. You
16 should be able to unmute yourself.

17 MR. GERTZ: Hi everyone, can you hear me now?

18 CHAIR PAZ: Yes.

19 MR. GERTZ: I'm sorry it's been such a long
20 meeting. But I have a couple viewpoints that are pretty
21 much opposed to each other occurring at the same time.
22 But I ask all of us, including the Lithium Commission,
23 to consider seriously the ramifications into the future.
24 And that is, we have the lithium experience, lots of
25 energy, lots of excitement. Everyone of many are

1 counting the billions of dollars that could derive from
2 lithium extraction, the industry it might bring to the
3 area.

4 And so, we have all of the exciting, and this
5 is being driven because lithium is considered a positive
6 thing. What it could bring to the United States, to the
7 electric table, all of these things— all of this energy,
8 because it is considered a good thing.

9 Now, I ask you to consider for the last
10 decades, I ponder the Salton Sea considered a problem.
11 We never measure the benefits of the Sea, how much
12 freshwater it produces through evaporation, over 1
13 million acre feet per year. For decades, the Sea has
14 been considered by the state and the federal government
15 and many others as merely a problem that won't go away.

16 What if the same energy and the drive to find
17 solutions for restoring the Sea was given the same
18 amount of energy as we now have towards lithium. You
19 have to understand — as exciting and successful lithium
20 extraction might be, all the industry that it can
21 create, produce for local economies, the Sea continues
22 to die — dry up. It's dropped ten feet in the last ten
23 years. Now, it's getting no water at all from the
24 Colorado River. So, its demise, it will be greatly
25 hastened. It's going to shrink much faster and the

1 problems of the toxic dust will become much greater.

2 Of all of the lithium wonder that it can
3 bring, who will be able to live in the area when the Sea
4 dries up? What will be the benefit of lithium, except
5 those in the hazmat suits that can be there at the
6 lithium experience. Nobody among us will be able to
7 live in the area for many, many miles around.

8 So, all this excitement for lithium, you
9 better weigh the consequences of this ever-dying sea
10 that you refuse to restore. We all have to know — the
11 Sea cannot be restored without affordable, adequate
12 supply of water.

13 CHAIR PAZ: Your time is up, if you can wrap
14 up your final comment.

15 MR. GERTZ: Thank you.

16 CHAIR PAZ: Thank you.

17 MS. LOZA: The next hand raised —

18 (Laughter)

19 (Pause)

20 VICE CHAIR RYAN KELLEY: No more comments.

21 It's all good.

22 MS. LOZA: One second.

23 (Pause)

24 Audio-tech issues.

25 The next hand raised is from John Hernandez.

1 You should be able to unmute yourself.

2 MR. HERNANDEZ: Hello, Commissioners. Thank
3 you for the great meeting, great information. Two
4 things. One, was — you make a recommendations to the
5 legislature. I would really appreciate, you know, the
6 transparency that's being requested by the community.
7 In the view of us being in to almost 20 years of the
8 settlement agreement of the water transfer, and watching
9 the, you know, the mechanism there to have oversight
10 Salton Sea Authority stand by and watch, you know.

11 The state, the county, and IID fight over who
12 is going to mitigate what is going to happen at the
13 Salton Sea. It's something that I think we really have
14 to have a good handle on so that those recommendations
15 come in, we can have good coordination between what the
16 royalties would be at all levels of government and to
17 benefit the community.

18 And the other thing is, on the bringing back
19 some of the environmental issues, I think in view of the
20 severe drought that we're in now, that there could be
21 some change as to some of the research data and some of
22 the information that we need to know and have for the
23 future development needs.

24 CHAIR PAZ: Thank you.

25 MS. LOZA: We have two comments in the chat.

1 So, the first one is from Charlene Wardlow. It says,
2 "The Imperial Valley Economic Development Corporation is
3 holding an Economic and Energy Summit at the Imperial
4 Valley College on June 16."

5 The next comment if from Tom Stephen. It
6 says, "Can preliminary quantity and quality estimates of
7 new water needs for lithium separation from geothermal
8 brine be included with the upcoming technical workshop?"

9 (Pause)

10 I have a hand raised from John Hernandez.

11 MS. LOZA: I think that was from the previous.

12 MR. HERNANDEZ: I already spoke. Thanks.

13 MS. LOZA: Thank you. Those are all of the
14 hands raised. Back to you, Chair Paz.

15 CHAIR PAZ: Thank you. As there is no quorum
16 at this time, we are going to defer the administrative
17 items and move to informational items, media and
18 legislative updates.

19 No, we don't have any. Okay.

20 And so, moving on then to — where are we?
21 Updates from the Lithium Valley Commissioners. So, I
22 will start — let's see. I want to acknowledge that
23 there was a receipt of two letters. The first letter
24 was sent by multiple organizations and community
25 residents to Governor Newsome and other legislative

1 parties and copied to a number of Lithium Valley
2 Commission members, CEC representatives, and other state
3 and local agency representatives. The letter, which was
4 dated May 4th, was docketed by the CEC. I have
5 requested the CEC to explore options to respond to the
6 parties and organizations that authored this letter and
7 will provide an update on next steps following their
8 exploration.

9 I want to thank this coalition of local
10 residents and community organizations and environmental
11 advocates for providing their thoughtful recommendations
12 for consideration.

13 The second letter, which was addressed to the
14 Lithium Valley Commission from a group of organizations,
15 including the People's Collective for Environmental
16 Justice, San Pedro Peninsula Homeowner's Coalition,
17 Center for Community Action and Environmental Justice,
18 and others, requesting that the Lithium Valley
19 Commission respond to questions submitted previously
20 from residents and organizations.

21 This letter, which is dated April 26th is also
22 available in the docket. Again, I want to thank the
23 community members for their input and engagement and
24 appreciate the concerns voiced.

25 The CEC is working to respond to the community

1 questions, and we continue to explore the topics
2 underlying these questions during our workshops. Again,
3 I have requested that the CEC respond to this letter and
4 provide a status for all responses and communication.
5 All communications issued by CEC staff at the request of
6 the Lithium Valley Commission will be docketed for
7 public review, and I will provide updates as best
8 possible in future meetings.

9 Additionally, I want to thank all the work
10 that has happened. I know Commissioner Ryan Kelley and
11 myself have scheduled some meetings as the May revise
12 was being drafted, and talking with Assembly Member
13 Garcia, so we're happy to see the May revise and
14 schedule a future discussion on it.

15 I also want to thank Assembly Member Garcia's
16 leadership. I think one of the things about him setting
17 up this Commission and the vision that he had is that
18 there have been multiple opportunities for the community
19 surrounding the Salton Sea to be on people's radars
20 including President Biden and his administration, and
21 the interest that they've taken, and their commitment to
22 equity, right, and continuing to try to demonstrate by
23 coming down and to really get to know the region.

24 So, I want to thank Secretary Granholm, who
25 did visit along with her team, including Karen, who we

1 heard from before. And also acknowledge and thank the
2 leadership of Governor Newsom and his administration for
3 making similar commitments to this community, and — um,
4 including many of those aspects around the importance of
5 community engagement and spearheading the conversations
6 on community benefits, local hires, and good high paying
7 jobs.

8 So again, just a lot of gratitude and wanted
9 to acknowledge their leadership. I will now turn to
10 other Commissioners for updates.

11 So, I see Commissioner Olmedo.

12 COMMISSIONER OLMEDO: Thank you, Madam Chair.

13 I know I sort of mentioned it earlier, but — as I
14 mentioned, I do serve also on the California Air
15 Resources Board AB 32, Environmental Justice Advisory
16 Committee. And, I was very surprised to see that
17 there's, I mean, not a significant amount of information
18 being proposed as part of our direction of transitioning
19 to clean vehicle transportation, clean air
20 transportation, and moving away from fossil fuel. And
21 so, I wanted just to bring it to the attention of,
22 obviously the public, the community, but also the
23 Commissioners that I think it's important that the Air
24 Resources Board be informed that it — lithium is, and
25 other minerals are going to be part of our transition to

1 cleaner transportation.

2 I will say that, as an organizational leader,
3 we're definitely not in favor of traditional mining.
4 And, we're hoping that this is a better way to extract
5 the necessary minerals to transition us and supply that
6 transition to cleaner transportation. But, certainly
7 going to continue to elevate the importance of the
8 energy and minerals that are going to be necessary.

9 But also, I extended an invitation to members
10 of the Environmental Justice Advisory Committee, and I'm
11 hoping that they're able to meet out here soon. And I
12 would hope that — I know I've reached out to Johnathan,
13 and I hope that at some point I'll be able to get the
14 Environmental Justice Advisors. If they meet out here,
15 I'm hoping to propose this school as a site as well.
16 I'm hoping to be able to give them a tour so that they
17 can get a better, closer look as to what's happening out
18 here with these geothermal and lithium industry.

19 I want to thank the school. I know they've
20 received numerous thanks, but I want to thank them as
21 well. The city, and I want to actually uplift Bombay
22 Beach, because they did have a lot of representation
23 here, and, you know, don't want them to feel like we're
24 not acknowledging them. I want them to know that they —
25 we are. They're definitely in the conversation. But I

1 do want to thank them for turning up in a good number of
2 folks here, and I encourage you to continue to
3 participate here and I encourage, you know, other
4 communities to also participate. Thank you.

5 CHAIR PAZ: Thank you. No other updates here
6 in the room, are there any updates from either
7 Commissioner Reynolds or Commissioner Flores?

8 COMMISSIONER REYNOLDS: No update from me.
9 Thank you, Madam Chair.

10 CHAIR PAZ: Thank you.

11 COMMISSIONER FLORES: And none from me as
12 well.

13 CHAIR PAZ: Thank you. We will now take
14 public comments regarding the informational items. As
15 noted before, please keep comments to two minutes, and
16 we will take comments starting here in Calipatria.

17 I do not see any. And, I — just for the
18 record, one of — confirm again that there are no members
19 of the public in Sacramento? And —

20 (Pause)

21 COMMISSIONER REYNOLDS: That's right, Madam
22 Chair.

23 CHAIR PAZ: Thank you. We will now move to
24 people participating through Zoom.

25 MS. LOZA: So, the first person should be

1 LCJA? You should be able to unmute yourself.

2 LCJA: I just want to confirm that this is
3 general comments? Sorry.

4 CHAIR PAZ: We will do general comments right
5 after this.

6 LCJA: Okay, sorry, I'll wait for that. Thank
7 you.

8 MS. LOZA: Okay, the next commenter should be
9 Nicola Lakic. You should be able to unmute yourself.

10 MR. LAKIC: Hello, can you hear me?

11 MS. LOZA: Yes.

12 MR. LAKIC: Yeah, great. Thank you. I want
13 just to extend to the comment — previous comment of Art
14 Gertz, that it's very, very important to understand that
15 losing lake has tremendous consequences. And that has
16 been ignored. I make many comments so far about
17 fundamental disconnect between playing of the governor's
18 administration and local leadership down. Everybody
19 putting — pushing for their projects, like lithium
20 extraction, and then second different project is
21 restoration on the Salton Sea.

22 And, I'm hearing also people — blah it will be
23 some hybrid design. Hybrid design, it doesn't work that
24 way, people. Please, understand. You cannot do plan
25 for roofing, and windows, and you don't have master

1 plan, you don't have foundation, you don't have plan for
2 skyscraper or building or whatever you want to do, that
3 project.

4 It has — please be patient. Wait. There is
5 several proposals. I'm — I have one — mine is one of
6 those that panel of independent reviewers reviewing at
7 this very moment. Just be patient, wait. And that lack
8 of desire to know, to learn a little bit about other
9 options, it's mind boggling. So, please be patient and
10 then make big decision. Right now, you're voting,
11 you're making decision and completely ignoring import of
12 sea water. And that's it. Thank you very much for your
13 — for this opportunity to say a few words. Thank you.

14 CHAIR PAZ: Thank you.

15 (Pause)

16 MS. LOZA: There are no more questions, so
17 back to you, Chair Paz.

18 CHAIR PAZ: Thank you. Now, we'll open the
19 floor for general public comments. As with all items,
20 there is a two-minute limit. Any individuals wishing to
21 make general public comments here in Calipatria, please
22 come up to this podium. State your name, spell it out
23 for us, and state your affiliation for the records.

24 MR. GREEN: Hello. I'm Christopher Green. C-
25 H-R-I-S-T-O-P-H-E-R G-R-E-E-N, from Bombay. I'm a

1 resident and currently the first responder of the
2 community. There's a lot of things that come to mind.
3 I'm grateful that all the communities are being taken
4 into consideration, including the natural ecological
5 community. Things that come to mind of consideration
6 are — we are a subsidiary of Nyland, although we also
7 are our own district.

8 So, I've heard talks of potential allocations
9 for the department in the area of this Lithium Valley
10 proposal, and I would just encourage, as it has been
11 witnessed, to take into regard the surrounding
12 communities as well. Currently in Bombay, we are a
13 single person station due to some recent events, and
14 we're grateful for the coverage from Nyland, and I just
15 think that any consideration would go a long ways,
16 seeing as how Nyland is responding for both at the
17 moment, and I just thought that would be worth while to
18 be brought to the table, and I'm grateful for everyone
19 here taking all of this into consideration. Thank you.

20 CHAIR PAZ: Thank you.

21 MR. GUERRERO: Good afternoon. My name is
22 Daniel Guerrero. D-A-N-I-E-L G-U-E-R-R-E-R-O. And, I
23 live in Bombay Beach. And it's really exciting to hear
24 all that the lithium production is going to bring to
25 California and Imperial County, and I'm hoping that the

1 little crack in the floor board known as Bombay Beach
2 would somehow be incorporated into your planning and —
3 it has really been hit hard in the past few decades.
4 And the people there have lived through it and endured
5 it, and their current state is basically a reflection of
6 that.

7 And so, I'm hoping that in the allocation of
8 funds, that something gets passed along to Bombay Beach.
9 Thank you.

10 MS. NOVA-FROELICH: Maria Nova-Froelich. I
11 just want to echo what Luis Olmedo mentioned in regards
12 to IID participation. I understand 50 percent of the
13 royalties will go to the developer and 50 percent of the
14 royalties will go to IID. And so, not sure if that's
15 going to go back to the ratepayers, or if it's going to
16 go back into the Salton Sea. I understand in regards to
17 the other community benefits, 80 percent will go to
18 Imperial County, 20 percent will go to the restoration
19 of the Salton Sea.

20 But, I want to mention that we need to also
21 work with the state simultaneously so that we can go
22 ahead and have the lithium project, but address not only
23 the habitat and the drying of the Sea. We don't want to
24 live in a dust-bowl. It's coming. It's long time
25 coming. We always say, you know, when it's windy, that

1 we're getting the Santa Anna winds. When it's cold
2 we're getting the cold front from the San Diego
3 mountains. So, with that said, I encourage the Imperial
4 Valley Lithium Commission to also reach out to the
5 state, simultaneously, so we can get some funding and
6 start some projects going at the same time that we have
7 the lithium projects going on. Thank you.

8 CHAIR PAZ: I will now, again, just confirm
9 that there's no members of the public in Sacramento
10 before I turn over to Zoom comments.

11 COMMISSIONER REYNOLDS: Correct, Chair Paz,
12 there are no members of the public here in Sacramento.

13 CHAIR PAZ: Thank you. Are there any hands
14 raised on Zoom?

15 (Pause)

16 MS. LOZA: The first hand raised should be
17 LCJA, you should be able to unmute yourself.

18 LCJA: Okay. I am going to — I'm not going to
19 be making comment, Mario Bautista is going to be making
20 comment in Spanish, and I'm going to be translating for
21 him simultaneously. So, can we have like 30 seconds
22 more to do that?

23 CHAIR PAZ: Sure.

24 LCJA: Thank you.

25 MR. BAUTISTA: (Public comment in Spanish)

1 LCJA: So, I want to talk about how the plans
2 are in Imperial County, and want to make sure that right
3 now you're not saying that there's not going to be any
4 significant impact to the environment, and then later on
5 be like, well it happened.

6 MR. BAUTISTA: (Public comment in Spanish)

7 LCJA: I, so I think in terms of community
8 benefits, in terms of the community members around the
9 Salton Sea and in the Salton Sea region. It's not about
10 Imperial County and Riverside County, it's more of a
11 community in terms of it being communities around the
12 Salton Sea that belong to both counties.

13 MR. BAUTISTA: (Public comment in Spanish)

14 LCJA: Those are my two main points. Gracias.
15 Thank you.

16 CHAIR PAZ: Gracias.

17 MR. BAUTISTA: Gracias.

18 CHAIR PAZ: Are there any other hands raised
19 on Zoom?

20 MS. LOZA: There are no hands raised, and no
21 more questions in the chat.

22 CHAIR PAZ: Thank you so much. So, this
23 concludes our general public comments, and the meeting
24 is now adjourned at 5:31. Thank you everyone for
25 hanging in and for your participation.

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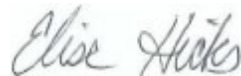
(Meeting Adjourned at 5:50 P.M.)

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.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of June, 2022.



ELISE HICKS, IAPRT
CERT**2176

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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 transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.



June 17, 2022

MARTHA L. NELSON, CERT**367