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<td>Erica Loza</td>
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CALIFORNIA ENERGY COMMISSION
LITHIUM VALLEY COMMISSION

In the matter of,

Lithium Valley
Commission Meeting

Docket No. 20-LITHIUM-01

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
Trelýnd 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
MVasquez
Hector Cervantes
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**Reporter’s Certificate**

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

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


MS. ROJAS: Buenas tardes. Me llamo Silvia Palma Rojas. Daré instrucciones a aquellos de ustedes que quieran escuchar la reunión en español. Hay un intérprete disponible a través de la plataforma Zoom. Para unirse al canal en español, haga clic en el ícono de globo pequeño en la parte inferior de la aplicación Zoom. Seleccione el canal donde dice S-p-a-n-i-s-h. Luego haga clic en la frase siguiente donde dice “Mute Original Audio” para silenciar el audio original. Si tiene preguntas o si gusta hacer algún comentario, por
favor de oprimir el icono de la mano alzada y abierta o envíenos un mensaje en español a través de la función de chat para ayudarle. Muchas gracias.

Back to you, Chair Paz

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

CEC staff can you please review the general instructions.

MS. LOZA: This is a hybrid meeting, with a primary physical location here in Calipatria, and one additional publicly accessible location connected via teleconference in Sacramento. At least one Lithium Valley Commissioner is at each physical location. Each of the physical locations were provided in the meeting notice and are publicly accessible. The public can also access the meeting through Zoom as described in the
meeting notice. A revised meeting notice was posted yesterday, identifying one additional publicly accessible location from the Lithium Valley Commissioner, and will participate in the workshop portion of today’s agenda.

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

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

Next Slide.

Public comments can be submitted at any time throughout the e-commenting system accessed through the
Lithium Valley Commission webpage. For more information on the Lithium Valley Commission, you can access the website as shown here. You can also review all materials submitted to the docket at the link provided below the website address, which can be found on the webpage as well.

Back to you Chair Paz.

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

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

(Pause)

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

(Pause)
We cannot hear Calipatria High School

(Pause)

CHAIR PAZ: Can you hear me now?

MS. LOZA: Yes.

CHAIR PAZ: Okay. We’re just dealing with an echo.

(Pause)

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

(Pause)

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

(Pause)

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

(Pause)

UNKNOWN SPEAKER: Okay, let’s try this again, it was the projector.

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

MS. CARRILLO: Much better, thank you.

CHAIR PAZ: Thank you to the team. Okay. So, I will ask the CEC to call the roll of Commissioners.
When you answer, please indicate if you are attending at Calipatria High School, or the California Natural Resource Agency Building in Sacramento. If a commissioner is listening in via Zoom only, or from a different location, they should not identify themselves at this time, as they will be considered absent for the official roll call and any discussions, deliberations, or votes. I also want to take this time to welcome Commissioner Alice Reynolds to your first meeting as a member of the Lithium Valley Commission. Welcome.

CEC, can you please call roll?

(Pause)

MS. CARRILLO: Erica, you’re muted.

MS. LOZA: Commissioner Castaneda?

Commissioner Colwell?

Commissioner Dolega?

I can’t hear anybody.

Commissioner Flores?

COMMISSIONER FLORES: Present.

MS. LOZA: Commissioner Hanks?

COMMISSIONER HANKS: Here.

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

VICE CHAIR KELLEY: (indiscernible)

MS. LOZA: Commissioner Lopez?
Can I go back to Vice Chair Kelley, I — um
wasn't sure if he said yes, or present.

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

MS. LOZA: Thank you. Commissioner Olmedo?

COMMISSIONER OLMEDO: Present.

MS. LOZA: Thank you. Calipatria, I’m
assuming?

CHAIR PAZ: Just a reminder, yes, Calipatria.

Just a reminder to say where you are located.

MS. LOZA: Commissioner Reynolds?

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

MS. LOZA: Commissioner Ruiz?

COMMISSIONER RUIZ: Present, Calipatria.

MS. LOZA: Commissioner Scott?

Commissioner Soto?

Commissioner Weisgall?

COMMISSIONER WEISGALL: Present, in
Calipatria.

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

Commissioner Castaneda?

Commissioner Colwell?

Commissioner Dolega?
Commissioner Lopez?
Commissioner Scott?
And, Commissioner Soto.
Okay. So, we have one, two three—
MS. CARRILLO: We have eight.
MS. LOZA: Yes.
CHAIR PAZ: Thank you. And for the record, I’m here in Calipatria. So, we do have a quorum. The agenda — next slide, please.

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

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

Next slide, please.

Slide number eight. So, this is a workshop on Incentives and Investments to facilitate Lithium
Extraction from Geothermal Brines and Development of Lithium-Dependent Products and Businesses. Commissioner Castaneda prepared something that I am going to be reading out loud, since he is running late. Do I read all of it?

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

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

Including proposals to provide incentives to
advance the clean energy market in California, provide
Californians in Imperial Valley a share of the
(indiscernible) from these projects, develop labor
standards that deliver community benefits, economic
development, and job opportunities. And, provide that
lithium production is done in a clean and sustainable
way.

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

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

45 million over three years to expand the
sales and use tax exclusion at the state’s treasurer
office to incentivize projects that manufacturer, process, or recover lithium. 80 million to expand training in the San Diego State University Brawley Center in the Imperial Valley to bring pathways for local residents to benefit from those jobs created by the new industry.

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

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

I want to mention these highlights from the
climate chapter of the May revision to the Governor’s proposed budget. Although these are just proposals at this time and may evolve through the process to finalize and adopt the budget, these proposals align with the topic we are exploring today.

With that, I’d like to launch the workshop and introduce the first presenter.

Next slide.

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

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

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

As you probably remember, the president hosted — convened a meeting in February around the topic of critical mineral extraction and the supply chain in the
United States. And after listening to Silvia Paz and others, he asked Secretary Granholm to come to Imperial County and to the Salton Sea and to hear from your community. And we did come.

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

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

I want to just underscore the importance to the Nation, as you know, that the potential enormous value of the lithium extraction has to the supply chain,
including extraction, processing, manufacturing, recycling, which my colleague, Sam, will address in one, one — less than a minute. But, I wanted to just lay out on the subject of lithium, and the — and the potential.

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

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

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

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

Sam, over to you.

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

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

Next slide.

(Pause)

Next slide — there we go.

So, this FOA that we have released, Funding Opportunity Announcement, is a total of $3.16 billion, and will be spread out over 12 different topics and is going to be looking at electric chemistry across the board. So, we have a lot of interest and probability that we’re going to be funding a lot of work in the lithium battery space, but also other technologies and chemistry is our interest. And, this is a picture of
Secretary Granholm, sort of making the announcement that the FOA was open.

Next slide.

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

You click — just click through —

(Pause)

Click through the animations please.

(Pause)


(Pause)
Alright, perfect.

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

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

Next slide.

So, one of the things I mentioned, you know, it’s very important for us in this whole process to be thinking about creating a domestic ecosystem and thinking about the battery supply chain as a whole. So,
ultimately, wanting to understand ways we can incentivize domestic production at each step of the way — it’s going to be such an important part of this.

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

Next slide.

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

Next slide.

And so functionally, the way this looks is this. There’s a lot of battery-grade materials, not just lithium. There’s obviously lithium-hydroxide,
lithium-carbonate, but there’s all these other materials that need to be in place for us to have a domestic supply chain that we can be fully reliant on. So, there’s a lot of things that we need to be considering in this FOA, and this is — in this particular case, it’s just for lithium. That doesn’t even include the other electric chemistries that will likely be getting applications in.

Next slide.

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

Next slide.

And this is the criteria for how we’re going to be judging proposals. So, we have the technically viable and impactful, and so that goes up on the demonstration side, just because we expect there to be a little more risk there. And the commercially viable, we decreased and in-took in that sense, but we really wanted to harp on, you know, the strength of the cost
share, the qualifications and resources, and really importantly, is the equity plan. You know, this administration has rightfully put a lot of emphasis on how do we ensure that there’s equality in how we go about enabling this clean energy future. And, DEI, Justice Authority, and other considerations are such an important part of this whole process.

Next slide.

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

Unfortunately, given the openness of this topic, I’m unable to answer specifics about other topics and other things. But, happy to answer about DOE in general, or lithium strategy in general.

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

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

MS. LOZA: Yes, we can.

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

MR. GILLARD: Yes. I will be — yeah, I will be here to answer questions. I was just, kind of sounding it with, “I can’t answer certain types of questions,” given the open solicitation that’s out on the street.

CHAIR PAZ: Yes, thank you.

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

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

CHAIR PAZ: Okay, thank you.

COMMISSIONER OLMEDO: Madam Chair?
CHAIR PAZ: Yes?

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

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

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

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

So, acid drainage, I had a question about that. The cost share, and how the Department of Energy is — how they are developing the framework to ensure that disadvantaged communities are equitably considered
when determining cost share. Because there are just — I would not be counting on community to have — at least here, in the disadvantaged community of Imperial Valley, the cost share isn’t going to be there. So, I’d like to know how that has been factored in, in specific, if you have that.

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

So, I was just wondering how, you know, given the Justice 40, given the high focus on environmental justice, disadvantaged communities on equity, how the Department of Energy is providing those metrics to agencies such as the Berkeley National Lab. Because I don’t know where they’re gathering their data, and it’s much different, you know, gathering data from research, literature reviews, versus being on the ground out here in the community. So, that will be noted, the three questions.
MR. GILLARD: Karen, I can answer the first, if you want to tackle the second one.

MS. SKELTON: Sure.

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

And so, you know, I think that is definitely something that, you know, we are considering of interest. But, yeah, again ultimately on the cost share component, you know, these were sort of Congressionally given to us, but, I know there are multiple efforts underway for disadvantaged communities that might not be able to meet it. So, I think more to come on that side when it comes to developing things that are not the whole 50-50 cost share, but these are very large-scale demonstration and commercial projects. This is just the first out of the gate, but there will be many more, I think, solicitations and funding opportunities for disadvantaged communities.
MS. SKELTON: On the question of the Berkeley National Lab study, the study — we met — the Secretary met with the scientists who were leading that study before she came down to the Salton Sea in April, and learned that they really are focused on the science. In other words, the characterizing of the geothermal lithium resource itself. So, it’s a geological study of the seabed, and of the viscosity of the brine, the degree to which there is a life — a shelf life to the lithium itself. And so, it’s not a — it’s not so much a question that — about the disadvantaged communities and their very real impacts from the — what we hope to be the industrialization of that site.

So that is something that — I think our role in that will be through our environmental justice and equity department at the DOE, and that’s why I invite you to be online there. I mean, the Secretary did come back, we did have somebody from that office with her when we were there at the Salton Sea in Imperial County. And we want to continue to work with the Governor’s Office as they are developing and working through all the issues that are in the May revise and that legislative package. So those are ways that we’re trying to be responsive to what we’ve heard from the
community and the great needs there, in addition to working with Congressman Ruiz.

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

MS. SKELTON: Thank you. Yes.

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

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

Is there any movement in Washington to put someone that could help, in regards to — you mentioned
the clearinghouse in regards some of the programs in the area — is there a possibility of creating someone or a positioning that would help move that along, streamline some of the access, availability and (indiscernible)

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

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

But, that question is a good question, about having a single contact, if you will, that is able to pull the strings together from across the federal government in places where there are equities, and there are certainly a lot of them. I mean, the Department of Transportation, DOI, Fish and Wildlife, Department of Energy, The Whitehouse, and many, probably many others.

And I have to say, we have raised that question here,
and have not moved it to a place where we’ve established any one point of entry.

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

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

And so, Trelynd Bradley?

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

CHAIR PAZ: Yes.

MR. BRADLEY: Fantastic. Thank you, very much, for having me here, and thank you to the Lithium Valley Commission. It’s great to join to be able to present again today before you all on different kinds of State incentive programs, and also great to be following
the folks at the Department of Energy, and I think there’s a lot of exciting activity going on there, that is of great interest to this effort, and looking forward to that continued collaboration across state and federal, as mentioned.

Everyone, my name is Trelynd Bradley, I’m a Senior Business Development Staff at the Governor’s Office of Business and Economic Development, or GO-Biz.

Next slide.

Here’s my — next slide. Go ahead and go to the next slide.

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

We help businesses and economic development practitioners navigate resources understand what different types incentive programs may be available, what are the different economic development infrastructure financing tools, or other means to attract investments, and do some of that long-range planning and development within specified areas in
So, think of industry cluster development as something that — is something that we have a lot of folks who work on in different shapes in form. Maybe that would be permit assistance, our California Competes Program that we have within our office, which I’ll be talking about alter. And then, go ahead and go to the next slide.

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

In California, it is definitely an incentive landscape. An incentive meaning that you are getting something for doing something in — as a company or a business, to then achieve or obtain that incentive. Whether that means making your manufacturing equipment, you know, more greenhouse gas efficient, if that means
investing a certain amount of jobs or capital expenditure, or CapEx, within California. Retaining your workforce within California. So, incentives, in order to earn what the incentive benefit is. Different than a subsidy and some kind of — you know, I think they often get confused. And some things about what others are saying in the media with some of the deals going on in other states.

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

The difference now and the past couple years is that a lot of incentive programs, I would say generally across the United States, do require some type of performance in order to earn the incentive. So, you have to meet metrics within, you know, increasing full time jobs within a specified area. A lot of states have kind of followed California in that regard. I would say that we were some of — one of the first states to kind of put in those caveats within our incentive programs.
So, I’ll be talking — so this — some of the points I just want to make at the at bat — I’ll be talking a little bit about where you find incentives in California, some of the incentive programs that exist here at the state, and then some of the place-based incentives and how they tie in to the Lithium Valley area. So, next slide.

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

Next slide.

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

So, we released that in this last quarter, the
California Business Comeback Guide has the incentive link to it, how much you can get, where the agency is located at, point of contact, timing, you know, and you know, very — other details at the end, including staffing within GO-Biz that you can contact as a business to be able to navigate some of these incentives.

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

So, next slide.

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

Next slide.

And this is one resource that I champion out across the board, especially now, given all of the
investment and federal funding, is we have a federal
grants coordinator at the State of California Federal
Grants Administrator at our Governor’s Office of
Planning and Research. She puts together a phenomenal
e-list that every week succinctly provides all federal
grant opportunities, you know just, what it is, what it
does, how you can go pursue it and funding, and it’s a
really great email that’s sent out that kind of
navigates a lot of these resources. So, I encourage
everybody to go sign up and be in tune with California’s
Federal Grant Administrator, especially for the DOE
opportunities shared.

So, next slide.

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

That means that you are only able to utilize
the credit if you are a company or business that is
generating an income tax liability within California.

So, there’s sometimes, you know, startups, or folks that
have a lot of upfront capital who aren’t able to
generate that liability to be able to utilize that
income tax credit yet, but there’s a lot of businesses
who do, or there’s businesses who grab the income tax
credit and they hold it until a year where they are
profitable and able to utilize the credit.

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

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

Next slide.

The next is the most utilized income tax credit within California, it's the R&D income tax credit. So, this is a tax credit based on either expenses you are making in house as a firm for R&D developing new processes, creating new pieces to your product that you are pushing out, or also, basic research parties, payments to third party organizations.

So, this very much mirrors the Federal R&D Tax Credit Program. It's a state version, very held up very highly and was, you know, put back in to full by the Governor and the legislature this past year. So, really driving a lot of innovation within California, it is the most utilized incentive is our R&D Income Tax Credit.

Next slide.

The next that we have is one that is, you know, being looked at a lot lately, which is a New Employment Income Tax Credit. This is an income tax credit for 35 percent of those who are paying 150 percent of minimum wage over five years. Each year that they have that new employee on hire, they have to hire that employee from a designated geographic area, of which many of the areas in Imperial and Riverside County qualify as these designated geographic areas.
And so, they have to be of someone who is either meets one of the categories listed here. EIPC recipient, they are current Cal-Works, or General Assistance Program, ex-offender, convicted of a felony, veterans separated from the armed forces, unemployed for longer than six months immediately preceding hire, you know, this is some — just some of the factors that can lend to be able to grab that income tax credit when making that new hire, and encourage folks from hiring from specific high-poverty, high-unemployment designated geographic areas within the state. So, it’s an income tax credit for businesses to utilize as well.

Next slide.

And in that vein, we also created a separate tax credit related to hires this past year with the legislature and the governor, which is a homeless hiring tax credit. So, think of it also like an income tax credit, but it’s not a percentage of wages, it’s a bulk tax credit for $2,500 to $10,000 for hiring those who have had — been formerly homeless, and who have been verified of receiving services from a homeless services provider. We’ve actually heard a lot of good praise of this type of program, because it puts the onus on the service providers to be able to do the certification, not having to put the onus on the business or the
company that is seeking to make the hire. So, a new tax
credit that we have here in California.

Next slide.

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

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

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

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

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

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

So next slide.

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

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

So, next slide.

And so last, I’m just talking about some of the place-based incentives. One of them is California Opportunity Zones. Our office does manage the
California Opportunity Zones website, which is opzones.ca.gov. I know it’s also listed within the studies of the Commission.

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

So, go ahead and go to the next slide.

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

The green areas are new market tax credit areas, which is another place-based incentive, to attract investment in certain types of projects. The blue are Opportunity Zones. So, you see there are quite
a few large tracts in the north end of the Sea. The Opportunity Zones were des— they were picked by an IRS metric, so the state did not have a role in specific designation. But there was an opportunity for local governments to swap tracts with the Department of Finance. There has not been any changes to the law that allows you to switch tracts since, but there has been discussions in DC about changing the incentives, and I think there’s a lot of different folks have been providing feedback.

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

The other benefit that we really like to highlight, specifically more so with the program, is there are over 270 federal programs at the federal government that give preferential pointing consideration to Opportunity Zone related projects, even if the project isn’t in the OZ, maybe it’s servicing the OZ, you can go on to grants.gov and be able to select on the left hand side which of those grant funding opportunities that have that priority consideration.
So, a different type of benefit other than the normal thought of tax-incentive.

Next slide.

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

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

Next slide.

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

CHAIR PAZ: Thank you, Tre. While we invite
Dan Adler, I do want to say for the record that — and
Welcome, Commissioner Castaneda, and I also want to note
that Commissioner Flores was going to be stepping out, I
think he already did at 2:30. So, I don’t know if we
need to do another roll call to establish quorum, or—
MS. PALMA-ROJAS: We have quorum.
CHAIR PAZ: We have quorum. Okay. Thank you.
So, we will move forward with Dan.
MR. ADLER: Great. Thank you very much. I
hope you can see and hear me okay. It’s great to be
with you today, I’m Dan Adler, Deputy Director for
Climate Finance at the State Infrastructure Bank.
Similar to the programs that Tre outlined, I’m
going to go through, fairly quickly, some of the
financing strategies and support mechanisms that IBank
brings to bear. It is a lot, and you just had a
tremendous amount of information passed towards you.
I’m going to give you a similar list of financing
approaches but will definitely welcome further feedback
and opportunity to engage to navigate a lot of this.
But, Tre did a good job of highlighting some of the
places that folks can access for the guidance services
that are essential to really make best use of these
resources. I’ll add myself to the list of folks who are
keen to help as this critical project set unfolds.
Let’s go to the next slide. Why don’t you go ahead and jump to the next one please.

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

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

It’s one thing to provide a useful, sort of
discrete incentive, or direct loan, but it seems to me
that it would be most impactful for the state to use
this development finance capacity to stitch it together
and make it efficient for private parties and local
partners to navigate and draw-down these resources when
we’re all aligned on the benefits and goals of the
program, or an infrastructure development strategy.

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

Let’s go to the next slide.

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

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

Within what we call ISRF, the state fund, there is a climate financing program that’s the better part of 10 years old. It’s essentially focused is on municipal lending in green and sustainable infrastructure goals. So, it’s an adjunct to it. It’s been around for a while, and part of our role, my mandate, is to get more traction with that, make it more useful, and find more interesting projects that we can do with this, again, public-sector-aligned loan program. The Bond Financing Program is a key, and actually very robust aspect of what IBank brings to bear. The — its possible for parties that have complicated infrastructure project needs to work with IBank to access the bond markets directly. And, through our counsel and our services, potentially find lower-
cost capital at sort of a quicker path to getting that financing in play. So, that’s what’s known as the Conduit Revenue Bond Program.

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

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

Let’s go to the next slide. Just a little bit more. Let’s actually click through to the rest of the graphics on this slide, if you would.
A few examples on the ISRF side of what has been financed in the past. You can see the critical and diverse nature there. On the climate financing side, again, this is the municipally oriented components. Traditional government infrastructure with a clean energy, climate, safe drinking water, healthy communities emphasis. So, those are projects that have been done. And again, we’re keen to do more where we can with funding that is presently available.

Next slide.

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

Our interest, and certainly my interest, as the climate lead at IBank, is to see more sustainability projects get into the consideration for tax-exempt bond financing. Which isn’t to say the other priorities, housing etc…, don’t have merit, but this is an aspect of the infrastructure development challenge that has not taken advantage of tax-exempt bonding as much as it
might. And, those green bonds are hugely in demand.

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

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

Next slide, please.

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

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

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

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

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

There hasn’t been the ability for the state to put meaningful resources on the table. It’s not enough to fund the whole thing, that’s for sure. But, by
putting flexible capital first, we can bring down the
cost of that transmission development, and help, again,
to sort of organize the conversation in a slightly more,
I’d say targeted, and frankly, urgent way, than is
possible if state — public capital isn’t participating
with private. That’s the goal, we’ll see if the
conversation proceeds beneficially through the budget
exercise.

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

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

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

MR. STREIT: Great, thank you. I’m Peter
Streit, I’m an investment officer with the California Organized Investment Network, or COIN program. We’re housed in the California Department of Insurance. COIN is a program that seeks to facilitate investments from insurance companies and the asset management industry into underserved communities and environmental projects within the State of California.

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

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

So, that was then expanded to not only include...
community development investments, but also investments with environmental impact as well. So now, since then, it’s kind of evolved into a program that, like I said, generates investment dollars to California projects that benefit, provide benefits to both the community and the environment.

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

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

So again, those are not something that COIN would work with. We’d be more involved with things like real estate, mortgages in underserved communities, solar, wind, water projects that benefits the
environment, and obviously, a lot that has to do with
the Lithium Valley projects that you all are working on,
including the lithium extraction.

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

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

So again, if you would like more information
on the program, you can reach out to the COIN program,
I’d be happy to set up a call to discuss your investment, as well as the COIN capabilities and what we can do for you. I’ll put my contact information in the chat box, and you can email us at our group email address, which is coin, C-O-I-N, @insurance.ca.gov. And again, we’d be happy to speak with you with how we can help with this important project. Thank you.

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

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

I have a question, and first again, this is for the Department of Energy if they are still here. I don’t know if Karen and or Samuel are still here?
They’re not. Okay. So then, I will not ask my
question, because it was very specific—

MR. GILLARD: I am here.

CHAIR PAZ: Oh, okay. Samuel, thank you. You

got here—

MR. GILLARD: Yup.

CHAIR PAZ: And uh, well thanks Karen, for

being here, and Secretary Granholm for her visit, and

President Biden for, you know, giving this community —

the attention. My question is specific to the equity

plan. Can — do you have any definitions around what an

applicant might be interpreting to mean for community

benefits, is there anything that they’re required to do

in specific, or is it left open to the applicant?

MR. GILLARD: Yeah, I think we are still in

the process of defining what benefits really mean. Full

disclosure, I’m, you know, I’m a battery scientist. So,

we have a team at DOE that that’s their full-time job,

and I think there will be guidance on what those

benefits should entail. But, I think that there will be

guidance. I’ve gone to some of the training, but I’m

definitely not an authority on how necessarily to

quantify any of that. So yeah, apologies if I’m unable

to be specific enough. But yeah, I don’t know if there

is an answer at this point for your question. But, it
is something that DOE is working hard on.

CHAIR PAZ: Okay, thank you for that answer.

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

And, are there any other questions from — yes.

Commissioner Olmedo?

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

CHAIR PAZ: Thank you. Commissioner Olmedo?
COMMISSIONER OLMEDO: Thank you, Madam Chair.

First I want to recognize that these conversations that we’re now having are with the intent (indiscernible).

It’s become very clear that the Biden administration and Governor Newsom administration are very committed to delivering on equity and justice. That’s clear. I know that the many — the historical — the history and longevity that it took to get here is not something that can be fixed overnight, and I understand the challenges.

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

And that’s why it’s really important to continue to reach out and have these meetings in the community. Just as we are today in Calipatria, because there’s not just large business, there’s small business. And we shouldn’t have anybody put a paywall or have to hire consultants and experts, or be having of a membership to a certain association so that they have
access and information on how to bring those resources —
whether it be tax incentives or there is investments,
and being put in the hands of disadvantaged communities.

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

So, I don’t really have a question, per say.
I just wanted to make that recommendation and encourage
you to continue to make yourselves available, and if
there is an opportunity to open a Service Center out
here, I would encourage that, whether it’s Department of
Energy, or the various programs from the state, because
I do know that it’s headed in a better direction. And,
I — again, that’s — it’s just more of a comment than really have a question.

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

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

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

So now, I would like to hand it over to Commissioner Castaneda to introduce the next panelists.
COMMISSIONER CASTANEDA: Alright. Thank you. Thank you, very much, Chair Paz. Today’s workshop is focused on local, state, and federal incentives and investments to facilitate lithium extraction from geothermal brines and development of lithium dependent products and businesses.

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

(Pause)

MS. CARRILLO: We can hear Commissioner Castaneda.

COMMISSIONER CASTANEDA: You can hear? Okay.

MS. CARRILLO: Online.

COMMISSIONER CASTANEDA: Well, so, I just wanted to — since the preamble has been done, and I apologize for being late. But, I wanted to introduce the next panel, which are two speakers. We have a workshop on incentives and investments to facilitate lithium extraction from geothermal brines and development of lithium dependent products and businesses. We have Jon Gay, who is an administration official within the County of Imperial. I’m not sure
exactly what his title is, but he is in charge of
infrastructure within the county and has been an
integral part in the crafting of the proposal for a
master plan for lithium extraction, as well as industry
cluster development in that regard.

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

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

(Pause)

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

(Pause)

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

(Pause)

The audio in the — at Calipatria is muted.

(Pause)

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

COURT REPORTER: Yes, we can.

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

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

It’s just going to take a lot of time and a lot of commitment. And a lot of transparency, too. And so, from that perspective, I will speak to some really quick numbers, just so we provide context to what our needs are. We are — we at the County of Imperial — there’s 58 counties, we’re one of the larger counties by size. We’re about the size of San Diego County. We
have 2,500 miles worth of roads, and 125 bridges.

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

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

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

So when we started out this process, we had a lot of different players that we were speaking with, and one of the early things that we decided to do —
collaborating with my counterpart in our planning department, Mr. Jim Minnick, we decided to put together a plan — it’s really three parts.

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

Those areas are within what we call this Lithium Valley Zone. That area is really bounded by Highway 78 to the south, Highway 111 to the west, the railroad as it cuts north-westerly, and then we have the Salton Sea up in the corner. And so, that area is really surrounded, also, by water. So, if you think about the area itself, you have the Salton Sea as a large body of water, and then you have the Alamo and New River that are crossings. You have crossings to get to there, which are bridges.
And so, it became very apparent that infrastructure was going to be a dire need very early on. Given the state of our infrastructure, that we’ve been closing down some of these bridges, we needed to really act fast. And so, we did. We put together a request for proposal, we went out, we solicited, we do have a consultant, we haven’t entered into an actual agreement yet, because we’re working on funding for that. But, to this Commission’s credit, and to the credit of all the stakeholders involved, and the discussions with the Governor’s Office — as part of the May revise, there is a placeholder for money to help with this plan. And so, that’s a credit to, I think, this body, and the conversations that our board had, and all the negotiations that were happening at that time.

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

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

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

And so, to look at that and to look to see how we can maybe look at water in a larger context, maybe as a public system, potentially, or maybe as individual private systems. As this develops, we’re going to anticipate that. This growth is going to be organic over time, and that we may have private systems, but we need to look to see whether or not at scale, we should maybe consider a public system at some point in time. Sewer, the same way. Depending upon how this area develops is very important as well.
But the idea of the plan is really three fold. The idea of the plan is first to identify gaps and how we can facilitate development. And more importantly, develop — understand from the community’s perspective, whether its Nyland, or Calipat, those residents, from a quality of life perspective, what kind of improvements would those residents want to see?

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

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

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

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

As part of this, we’re going to be engaging a lot of the public entities. We cannot develop without our local public agencies, whether it’s IVTA, the Imperial Valley Telecommunication Authority, the Imperial Irrigation District, nothing happens without their support and their comment, but it’s going to involve a host of our special districts as well. So,
we’re going to be moving on that, hopefully, within the next couple of months, to take to our board adoption of a contract with the consultant at hand so we can begin this outreach, so.

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

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

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

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

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

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

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

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

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

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

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

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

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

So, it’s — this is something that can be good not just for Imperial County, but for California and the country. And that could be one more incentive. You
know, incentives really — I kind of think about this as there are carrots and there are sticks if you want to encourage an industry. In other words, a carrot is an incentive. If you do something, here’s what you will get for it. You don’t have to do it, like that production tax credit, if you want to build a wind farm, here is what you will get as an incentive.

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

I think a mandate for lithium, and this is my second idea, and I’m stealing here from Assembly Member Garcia, who really first proposed this, but his bill is not going anywhere this year, but I think it should, which is something like a Buy California act. Something that — a bill that would say, kind of like we have in Washington D.C., Buy America provisions. Well, why not legislation that would say if the state, for example, has a contract with a company that requires the use of electric vehicles, that the lithium in that vehicle, or a certain percentage, must come from California or certainly a disclosure, like a content, where does that
lithium come from. That, I think, would be a mandate that would help encourage even more lithium production.

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

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

And if it’s not good for both, it’s not going to work well. As the industry, one industry representative, we are committed to making sure that there is a major role for community involvement. And again, others on this Commission speak to that more eloquently than I do, but we’re talking about educational opportunities, STEM, the need for STEM
education, the need for community college work, more
investment there, community outreach, and full
transparency on the part of developers what we’re trying
to do.

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

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

The bottom line here, is there’s a real
opportunity for upward mobility for a workforce here in
Imperial County. At a minimum, when we go commercial,
which we hope will be within the next four years, that’s
going to be 200 new jobs.
And, if we are successful in expanding our geothermal facilities, which is not part of what the Commission is talking about, but as a company we are looking at doubling those facilities, thanks in large part — Commissioner Reynolds obviously knows the details of a, essentially a mandate, if you will, by the California Public Utility Commission, that will put more geothermal onto the grid. As we plan for that, we will also plan for more lithium. So, the potential here is for hundreds of new jobs, and we are just one of the companies doing that.

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

CHAIR PAZ: Thank you, Jonathan. At this time, I will ask if there are any questions or comments.
from Commissioners. And, I’m going to switch it up a
little bit. I don’t typically call on people, but I do
want to make some space to invite Commissioner Alice
Reynolds to introduce herself, as this is her first
meeting, and open up the discussion. So, Commissioner
Reynolds?

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

And so, I really look forward to continuing
that work and getting to know a little bit more about
the Commission, Lithium Valley Commission’s work, in my
new role at the PUC. So, I am — I’m sorry I couldn’t be
with you in person today, I’m not quite as far away as
DC, but I am up here in Sacramento, and I do look
forward to getting down to the Salton Sea area as soon
as possible, and learning more about the local area from
a first-hand visit. So, that’s something that I’m very
much planning to do and looking forward to.
I don’t have any specific questions for this set of panelists, although I will just make a couple of comments. Mr. Weisgall mentioned the PUC’s procurement orders for geothermal, and really the interplay between geothermal production and lithium recovery. And we are — that is something that we are taking into consideration, very much focused on at the PUC as we develop processes and orders for the entities that are providing power to transition to clean power. We’re looking for different sources, diverse set of resources. So, it’s, you know, solar, wind, that we are obviously focused on, but also geothermal, as a source of production of energy.

We do have an order out that calls for the type of resource that geothermal provides. It’s a great compliment to the grid, and we are thinking about getting over some hurdles to increase production of geothermal. Looking at different ways to do transmission, and you heard a little bit about the Governor’s proposal for the budget for financing of transmission. I’m very interested in helping to kind of pull together all of the pieces to help projects move forward, as well as keeping at the forefront community benefits. And, I was really pleased to hear the presentation about the community plan and the local
sessions to development a better understanding of community’s focus and priorities.

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

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

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

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

And Commissioner Castaneda?

COMMISSIONER CASTANEDA: Thank you very much, Chair Paz. I wanted to ask John Gay, from the County — and just to, if he could come back up. And I, you know, I want to just sort of follow on what Commissioner Reynolds had to say. I, you know, when we first spoke, and I, you know, I told you about the opportunity and requested to see if you could come speak to us, I was extremely intrigued and impressed with the level of
detail that the county and you’ve — certainly you and your staff have put in to thinking of this planning process.

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

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

So, I was looking at it, and thank you to the staff that sent the Governor’s information to g— on the budget message regarding lithium, and I wanted to just ask you, because I read this and it kind of sounds like maybe this is what the Governor and his staff have in mind, is the $5 million to support the Salton Sea
region, through evaluation, community planning, and engagement, is that some of the dollars that you — that the county is looking at?

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

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

And finally, the tax element. We did put in that plan $50 million for infrastructure. And so, you know, being a little bit myopic, I was a little concerned that it wasn’t there. But understanding process, and understanding being proactive, you know,
again working with county staff, we put together congressional earmarks, so we didn’t sit on our hands. So, we put out $25 million worth of congressional earmarks, specific to bridges up in the north end. Two of those are wooden bridges. We got word back that Congressman Vargas supports — we got support from — we got letters of support, but I think Congressman Vargas may push that into an earmark for at least one of the bridges, which we’ll consider a win. Because we need that today.

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

So, these are things that we do here locally that my three engineers do. So, we put these together. Apart from maybe looking to see where the budget is going to shake out as we continue to speak, as we continue to engage our residents here and the
stakeholder groups to see if there is any other opportunities that we always look for. So that’s just kind of a synopsis of what we’ve done. I’m very excited about the May revise, and hopefully, you know, we can see more.

COMMISSIONER CASTANEDA: Thank you very much.

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

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

MR. GUY: Sure.

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

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

Our plan is going to be a blueprint, really, right? So, we’re going to put together some lines on paper and we’re going to cost it out, you know, bridges,
roads. But, I think when we get really granular into the communities, there may be things apart from maybe just putting sidewalks everywhere, right?

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

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

CHAIR PAZ: Yes, Commissioner Vice Chair Ryan Kelley.

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

I do want to add — you know, I’ve known John for many years. So, some of the things that got skipped over is rail and air will be included in (indiscernible) so there will be much beyond all elements, including the earmark—or not the earmark, the revise. That money will also include a health assessment for the communities of the Salton Sea, and it will also allow us the opportunity to stand up a Lithium Valley office to help us on the permitting needs of the industry. So, the community engagement, of course, will be a part of a consultant agreement and there will be additional layers as well for engagement in the community.
To the topic that was discussed by Mr. Weisgall and Mr. Gay, the county has, from the beginning with the conversation with industry talked about trying to promote. And the question I had asked the Department of Energy when, I don’t know if Ms. Skelton is still on, but it is basically — under the grant programs from DOE, it is if you find an interested private entity, that they are eligible to be able to invest in manufacturing in this area.

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

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

COMMISSIONER WEISGALL: Yes, Commissioner Weisgall. Vice Chair Kelley has reminded me that I did
omit the fact that the revised budget will — there will be a tax on lithium, or call it a royalty, call it a 
severance.

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

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

This revenue from lithium extraction is, in some sense, I think, will be seen as an incentive. Call it what you want, the bottom line is that this is part of an overall package that will benefit the local community. So, what it turns out to be, how much, how it’s based and how it’s divided remains to be seen. But certainly in the latest iteration that I’ve seen, 100 percent should be coming back (indiscernible) and other infrastructure (indiscernible) to be decided. But as a company that (indiscernible) the facts, it’s certainly not for us to decide where that revenue should go, other than to urge that as much as possible it comes back to
this community. So, I just wanted to point that out as one more aspect of this overall package we’ve been talking about. Thank you.

CHAIR PAZ: Thank you, Commissioner Weisgall.

I believe Commissioner Olmedo, you had a question or comment?

(Pause)

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

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

But I think that the best outcome is when you document it. When it’s statute, when it’s on community
benefits agreements, and I have no reason to believe that it wouldn’t turn out that way this time around. I think we’ve already have plenty of examples in our community where industries come in and the negotiations haven’t gone well. Handshake deals.

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

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

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

COMMISSIONER HANKS: I’d like to make a couple of comments. You know, whenever we look at all of this, everyone here who is interested in knowing what’s going on in their neighborhood, whether it be opportunities.
I can assure you, if you’re like me, it’s almost overwhelming when you start talking about a power line. One power line that’s going to be 180 million, and that’s just a small part of what we’re talking about here.

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

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

But, I’d also like to point out, there’s a young lady in the back here (indiscernible) schools
here, and you can see by the facilities, there’s been work in the infrastructure within the school system to prepare for this day. And they started 20-something years ago. And, of course, we hoped that it would be here before now, but this school, for example, could probably handle 20 or 30 percent increase in the number of students they have. And, if development came in, housing and so forth, I don’t think they would even have to pay a developer fee because you have capacity and room for it. There may be a couple of areas that need to be upgraded, but those are the things, you know, when I hear Mr. Gay talk about infrastructure and so forth, we have a town here with very few sidewalks, very few curbs, okay. How does the city start reaching out and preparing for development that will come? How do they move ahead, like the school did? The school was fortunate, because it had a tax base that was put together by the geothermal that’s already been developed.

So I just want to — the point I was saying that. And, you know, sometimes, even with the presentations and the large amounts of money that I deal with through the IID, this is the investment opportunity and so forth. It’s just overwhelming for the average person. And, then I know there’s opportunities that
will come, absolutely. And so will the businesses that
can come into this town. Whether it's some of the
businesses that I've mentioned, whether it’s a
restaurant, whether it’s some type of exercise class or
whatever, there are going to be opportunities, and I
courage you — please don’t be overwhelmed by all the
big numbers, you know? Start thinking and planning,
y’all, some of the things that you have dreamed of and
be ready for it when it comes. Thank you.

CHAIR PAZ: Thank you, Commissioner Hanks.

You know, the presentations and the dialogue make me
think about a few things I’ve heard in past Commission
meetings. And one of them, I remember the first time
there was a mention of a royalty or a tax, and then
Commissioner Weisgall, I think, said, “Well, you know,
the industry’s not going to, you know, carry the
responsibility for many, many years of lack of
investment, right, in these communities.”

And not exactly his words, but just rephrasing
what I heard at that meeting. And looking at the number
of incentives that are available for private businesses
makes me thing that yes, it shouldn’t only be the tax
spread or fee or whatever requirements are being thought
applicable to the lithium industry, should not only be
applied to the lithium industry.
I think there is an opportunity to be thinking about what is it that our taxpayers dollars are giving us in return, and that goes beyond the jobs, right? Because, we can get 100 jobs, and we can get, you know, good paying jobs, but we need to start thinking about what is it going to take to really transform our communities that goes beyond the charitable donations, which are always appreciated, but we have needs that are costly.

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

So, I just wanted, again, to thank everyone, all the panelists and Commissioners for the conversation. And, we will now open the floor to any
public comments that are relating to the workshop on incentives and investments to facilitate lithium extraction form geothermal brines and development of lithium-dependent products and businesses.

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

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

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

I want to share that the Nyland and Calipatria and North End communities have been suffering for a long time due to very little resources coming to our
community. I believe that this is something major coming to our community, and so I think it’s a game changer. I think that a lot of the — not only the City of Calipatria, but also Nyland, is needing a lot of dollars in infrastructure.

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

I want to share, also, that we do — we are requesting 30 percent of the community benefits to stay within the North End fence line communities, the disadvantaged communities. But, we also want to share that we stand in solidarity with Imperial Valley as a whole. And so, we thank all of the Commissioners that are here today, and we look forward to working with Imperial Valley community. I want to recognize our Superintendent, Mrs. Angelita Ortiz in the back, for allowing us to have the Lithium Valley be here at Calipatria High School.
I want to share too, also, that Mr. Hanks, when he was Superintendent, he really pushed to get a school — the schools built. So, we owe a lot of it to his hard work and dedication to — for the community to carry the bond. Which now, you know, we’re reaping the beautiful benefits of having most of our schools — all of the schools renewed and then we have new gymnasium and so on. And so, want to recognize all of his hard work also happening behind the scenes on behalf of Imperial Irrigation District.

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

CHAIR PAZ: Next speaker.

MR. FLORES: Good afternoon, Jose Flores, also an Imperial Valley resident. In regards to the discussion on possibility of having a contact lead, somewhere in D.C. which can kind of filter or assist
with direct communication. It’s a great idea. Not only
to have communication within our county. But also the
bureaucracy is kind of tough to get through or navigate
through. So, even within their own inter-agency, to
have one person as a clearinghouse within their own
agencies would be a great benefit and efficiency, which
we are in desperate need of.

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

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

Thank you to the Commissioners, and for the
public to showing up en-masse. We have people here from
Bombay, Nyland, and Calipatria recognized, so thank you
Mr. Meza: Hi, my name is Hector Meza from Brawley. As we were talking about investments in our neighbors, or the biggest investment, I will state the following: The only way we’ll be able to ensure that we will have a local hire with a clear path to a strong middle class is through project labor agreements, or PLA’s. Which will include a requirement of local hire and using the skilled and trained, which includes using apprentices that are registered in a state approved apprenticeship. We’ll need to make sure that the people building all the infrastructure, the lithium plants, manufacturing, and production plants, are built by locals in Imperial Valley. Thank you.

Chair Paz: Moving on, next speaker please.

Ms. Herbert: Sonia Herbert, from Bombay. I was listening to Mr. Gay’s presentation about the economic monies that are there. I, just for the record, I would like for some of that monies to be included in Bombay Beach, which is a small community at the very end of the county. And, we’re in dire need of some restoration up there. So, I just hope you would take that into consideration. And also, I haven’t heard
really any input about the effects of wildlife or the
birds or even mother earth from this project, and I’d
really like to hear more input.

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

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

(Pause)

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

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

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

(Pause)

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

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

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

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

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

You know, you’re going to have everything from

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

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

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

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

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

The next comment is from MVasquez, and it says, “We know that there will be benefits and impacts as a result of this project. Will you be publishing
what those are and the level of impact and distribution
over nearby populations?"

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

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

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

Next slide.

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

If we have that document and then you can put
it on the screen it might be helpful for this portion of
the discussion. But, I wanted to start my — I didn’t
have anything that I felt needed to be changed in the
preliminary findings or recommendations. What caught my
attention is that the workshop is — was trying to
capture economic impacts, and I believe there is still
maybe a gap of information that would allow us to more
concretely answer what is the economic impact.

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

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

VICE-CHAIR KELLEY: Yes. So, Chair Paz, I
would offer that, at the next meeting, that there is an
economic analysis for what the potential overall
revenue, gross value, and annualized impact that was
prepared for the county. It wasn’t available for today,
and I know Commissioner Castaneda reached out to make
that available, but it just wasn’t. But, for timing
purposes, it may be better after some actions happen in
Sacramento. But, I would offer to make that available
at our next meeting. And to have that shared.

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

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

CHAIR PAZ: Thank you. Any other comments or
questions form Commissioners here in Calipatria?
I do not see any. Are there any comments from
Commissioner Reynolds in Sacramento?

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

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

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

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

CHAIR PAZ: Thank you. Is there anyone else
here wishing to speak?

    Well, thank you everyone, for your comments.

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

    COMMISSIONER CASTANEDA: Madam Chair, I’d make that motion.

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

    VICE CHAIR KELLEY: Second.

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

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

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

    MR. MEZA: Hector Meza, from Brawley. Do we
have a copy of that draft that we can see, other than
the screen?

CHAIR PAZ: Yes, there should be — So, there
are copies provided at the first table of all the
materials that are being used at this meeting.
Is there anyone else wishing to speak on this
item?

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

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

CHAIR PAZ: Thank you.

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

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

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

MS. LOZA: Yes.

Commissioner Castaneda?

COMMISSIONER CASTANEDA: Yes.

MS. LOZA: Commissioner Hanks?

COMMISSIONER HANKS: Yes.

MS. LOZA: Vice Chair Kelley?

VICE CHAIR KELLEY: Yes.
MS. LOZA: Commissioner Olmedo?

COMMISSIONER OLMEDO: Yes.

MS. LOZA: Chair Paz?

CHAIR PAZ: Yes.

MS. LOZA: Commissioner Ruiz?

COMMISSIONER RUIZ: Yes.

MS. LOZA: Commissioner Weisgall?

COMMISSIONER WEISGALL: Yes.

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

COMMISSIONER REYNOLDS: Yes.

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

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

So this is a discussion of planning for future meetings. And, I want us to consider that we are now near the end of May, and we have held workshops on many of the topics called out in the statute and of interest to all of us. We have a few more areas to explore, and
as we plan for future meetings, we will want to consider
the overall time needed to complete workshops, review a
draft report, seek public input and reflect that input
as we finalize the report.

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

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

Also, maybe give us a report on their current
progress. And then, also, maybe share with us what
local resources or infrastructure that they’re going to
need from, in my case, public utilities, (indiscernible)
the county. And, I’m thinking in terms of what is the
load requirement going to be for energy, and how much
would be left for export, because later on, on another
workshop, we will be talking about the benefits of
geothermal (indiscernible). And, it would be, I think, very valuable for us to know how much energy is going to be produced and will need to be exported.

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

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

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

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

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

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

CHAIR PAZ: We’ll come back to you. Thank you. Commissioner Ruiz?

COMMISSIONER RUIZ: Thank you.

CHAIR PAZ: Oh, and before— I want to note for the record that Commissioner Flores returned to the meeting at 4:15 at the Sacramento location.
COMMISSIONER RUIZ: Thank you, Chair Paz.

Some of the concerns have been already addressed in previous workshops. Nonetheless, I think when we talk about coming challenges, I think we need to come in with a 360-degree view in order for us to get a better perspective.

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

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

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

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

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

CHAIR PAZ: Thank you, both for developing the initial plan of the workshop, and presenting it to us. At this point, I want to ask the other Commissioners for any comments or suggestions that might assist in the planning of this workshop. I will start by adding to some of the things that I heard regarding the identification of what resources are needed, and that in those resources we are considering water. I think there
is a question about water that is not very clear to me, and it is relevant in this conversation, as well as the conversation of environmental impacts. So, I would encourage that we do touch on the topic of water as we’re talking about the resources that are needed, and whether there is going to be a challenge for that.

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

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

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

So, all good ideas. I didn’t see anything that I thought — you know I mean, sort of the mineral rights 101, how the leases work, I’m sure that we can
summarize that, or we can discuss that. And we’ll keep that — that may spill over to the geothermal side, but, you know, it works in a similar way. But we’ll work with you on preparing that.

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

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

UNIDENTIFIED SPEAKER: June 16th for the technical challenges?

CHAIR PAZ: Correct.

UNIDENTIFIED SPEAKER: Oooh.

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

VICE CHAIR KELLEY: Yeah, I would agree. I am (indiscernible) is brought in, I would like to know who, from the district’s point of view the position for industrial water. I know that conversation for pinnacle distribution is happening, and maybe that could be something shared in this venue, and also a part of the
overall understanding of the Lithium Valley Commission.

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

CHAIR PAZ: Thank you.

COMMISSIONER HANKS: May I (indiscernible)

CHAIR PAZ: Yes, Commissioner Ruiz.

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

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

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

CHAIR PAZ: Go ahead.

COMMISSIONER WEISGALL: Vice Chair Kelley talked about the —

CHAIR PAZ: Can you say your name?

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

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

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

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

And then there’s also another characteristic, called frequency. And, without the correct frequency in your system, you’re subject to some blackouts. And I would be the first to admit, I’m not the technical
person to explain these, but I think it’s very important that we take advantage of this, because this is going to be not only here, but there’s — with the lithium development, that there’s also research and development on other types of geothermal that may not be as strong as the conventional type, but there’s going to be other opportunities here in the Imperial County.

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

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

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

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

CHAIR PAZ: Thank you, Commissioner Hanks,
again, for presenting your initial thoughts on this
workshop. And, as we can see, the workshop on Overcoming
Technical and Economic Challenges to Lithium Extraction
goes pretty much hand in hand I think with the workshop
on the Potential Benefits of and Added Value to Existing
and New Geothermal Facilities in Areas that Contain
Mineral Rich Brines for the State, the Western Energy
Grid, and the United States, Including but Not Limited
to Grid Stability, Reliability, and Resiliency, which is
the long name for benefits to geothermal.

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

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

Commissioner Luis Olmedo?

COMMISSIONER OLMEDO: Yeah, thank you, Madam
Chair. Well, there’s the big, big picture, talking
about transmission and how you get these renewables out,
and there’s a couple of things I just wanted to
highlight. It’s that, you know, I also serve on AB 32, Environmental Justice Advisor and California Resources Board, and there’s a lot of talk about relying on the electric vehicle infrastructure, electric vehicle transition. You know, a lot of policy in the state that is striving to be — the pressures of procuring these minerals, right? That we keep talking about, the headline mineral, right, lithium.

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

Putting Imperial in a position of opportunity, but also in a position of worse. So these are going to be things that are going to be necessary that we look at. When we talk about overcoming challenges to lithium extraction, it seems to me, and I know that I think we’ve been ok with this title, but I’d also like to bring it back and say, there’s some blind spots here. Are we missing something when we’re looking at this picture, because, I mean, are we just talking about extracting the mineral, or are we talking about
conversations about habitat and wildlife and environment
and what are the challenges there. Because, when I see
it and I read it in this way, you know sometimes it
takes a few reads and a few meetings, and a few
conversations and a few public comments, and beginning
to realize, like, you know. Now it’s starting to read,
like it’s a challenge to who? Right?

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

It’s like, how do you extract it, you know,
get it in to mass production right? And there’s
experts, certainly, in the room that would speak to
that. But I certainly want to make sure that my role
here as a disadvantaged community is that I’m always
putting the community front and center.
And I want to make sure that at the end of the day, that whatever challenges are there aren’t interpreted as a message of needing to exempt, or needing to circumvent, or needing to (indiscernible). Because, we need to now deliver on this demand that this country is leading and the state, you know, is leading. And as an example to the rest of the nation, as an example to the rest of the world, that we don’t create a risk or harm. You know, I would say in the environmental justice, is that you don’t want to import harm, export harm, or create harm.

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

But I want to make sure that the industry succeeds. And I mean that from a very real genuine approach or perspective. If they succeed, and one way
to succeed is making sure that we’re looking at the whole picture. If we create good jobs, good opportunities, make sure that we are taking care of the habitat, wildlife, the disadvantaged community, everything, the whole picture, then the industry succeeds, because they get to invest in something that is more longer-term.

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

And one more thing before I — I missed this opportunity to say this. It’s going to be important that — that IID. I’ve had a great pleasure work with the county, and learning a lot more how they operate, and the openness. Commissioner Hanks, we need your
support in getting the IID to be more open to the community of the Imperial Valley, or its ratepayers. I know that they’re just not limited to the Imperial Valley. But, we need IID to be more open, create more access points.

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

But I think it’s important to have good clean accounting, and a good understanding. Because, at the end of the day, if the industry steps in and brings in a whole new revenue stream, again, maybe it’s pennies to dollars of a difference, then we want to make sure that if there is an old system that isn’t releasing those dollars —and I’m not taking away credit from the phenomenal work that’s happening right now in the legislature, thanks to our leaders like Assemblyman Garcia, and the Governor’s Office, and you know,
certainly the county has played a key role in making
sure that there’s a good package.

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

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

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

VICE CHAIR KELLEY: Chair Paz, are you looking
for a recommendation for an agendized item for the next
meeting?

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

VICE CHAIR KELLEY: My recommendation is to
consolidate those two matters between Commissioner Ruiz
and Commissioner Hanks. And, hopefully to have it
inclusive of some of the comments made by the
Commission.

CHAIR PAZ: Sure. Thank you, yes.

Commissioner Reynolds, any comments?

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

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

(Pause)

CHAIR PAZ: You’re on mute.

(Pause)

COMMISSIONER REYNOLDS: Sorry, Chair Paz. Can
you —

(Pause)

Alright, can you hear me now?

CHAIR PAZ: Yes.

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

I’m not sure if you heard my last comment, I
did say that I supported the Vice Chair’s
recommendation, and I also wanted to note that I really
appreciate the work of the two Commissioners in putting
these topics forward. I think they’re very thoughtful
and, you know, a good approach. So, I will leave it at
that. But I do support the recommendation. Thank you.
CHAIR PAZ: Thank you, Commissioner Reynolds.
Commissioner Flores?
(Pause)
COMMISSIONER FLORES: Sorry, wasn’t sure if
you guys were waiting for any comments. I don’t have
any comments right now, thank you.
CHAIR PAZ: Thank you. So, again, we have two
more topics to consider before we go on to discuss
future meetings and schedules. So, another topic that
has been in the works is that of including tribal
perspectives into the conversation. And, I do have a
brief update on that potential tribal panel.
We are still developing specific plans and are
exploring options to hear from tribal communities, in
addition to a panel discussion during a Lithium
Commission meeting. I will continue to coordinate with
Commissioner Scott and Commissioner Lopez, and other
local parties, and bring forward an update in a future
meeting.
The other topic I would like to revisit is our
previous discussion on the potential to continue on the
environmental impacts. We heard today from a member of the public with questions about — or whether we are going to be provided information or asking — answering what the direct impact of the extraction of lithium is. And so, I think there is — we’ve heard it today and we’ve heard it in other meetings, that there are still those questions that need to be answered, as was emphasized by Commissioner Olmedo and Commissioner Frank Ruiz.

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

So, I know, again, environmental impacts has been a, a topic that has gone over several workshops. And I think it’s just because of the magnitude and the types of questions that are important for this community, including the exploration of environmental considerations in the Salton Sea region. And I know there’s been interest in this Commission to around the
impacts, if any — how does it and does it create a cumulative impact, given the challenges that the Salton Sea region, and the Salton Sea itself already has.

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

Commissioner Olmedo?

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

And in the context of — is there technologies? Is there anything that can be incentivized? Because the cost of public health is just far too expensive, because how do you put a cost on a human life? How do you put a cost on, you know, even a child who had died — I believe
they might have gone to this school district in Bombay.

How do you put a price on that? And I’m not necessarily blaming, you know, a particular industry, a particular source, you know, it’s many — but I just — we don’t — I don’t know.

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

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

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

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

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

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

COMMISSIONER REYNOLDS: No additional comments, thank you.

CHAIR PAZ: Thank you. Okay.

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

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

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

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

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

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

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

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

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

I will now take any comments on the meeting
dates and plans from the Commissioners.
(Pause)

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

(Pause)

I do not see any comments.

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

CHAIR PAZ: Thank you, Commissioner Reynolds. Noted.

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

I want to offer that this location worked great. So, if the other location were to be available, maybe that’s something that the CEC can support and see if we can hold our future meetings here, but in the case that there was a conflict with using this location, are
there alternatives that would work for this community.
And again, I will ask for Commissioners to give us some
input on that.
Commissioner Olmedo?
COMMISSIONER OLMEDO: Yeah, I — I mean, I look
to others on the North End to suggest, but I’m going to
recommend that this be, obviously, first priority. But,
second, Nyland has a school that could also accommodate.
They were in the middle. I would recommend that we
also, aside from putting our recommendations, that we
connect with the local leaders to — of the school
district to make sure that those, uh, places are
available. And I know —
(indiscernible back and forth discussion)
VICE CHAIR KELLEY: They’ve got a nice school there. No
offense.
CHAIR PAZ: Awesome. Well, it’s great to have
options.
VICE CHAIR KELLEY: Westmorland.
CHAIR PAZ: Um, so, Calipatria, Nyland, and
Westmorland are our top picks. And, if — hopefully from
those three locations, we will be able to meet all of
our, you know, we will be able to meet there for the
remainder meetings.
So, if there are no other Commissioner
comments on the locations, I will now open it to Public
Comment, and I know it’s been a long agenda, so for the
public, if you can limit your comments to what we have
just discussed, which is discussion of agenda topics and
presentations for future meetings, the future meetings
schedule and location — yes, those are the items that
we’ve discussed.

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

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

And then, I want to put out there for any kind
of development, whether it be the manufacture, or
anything else, that you consider some of our locations
within the city, in regards to industrial or some kind
of other type of development. We have — we are happy to
report that we have had some inquiries in regards to developing within our city. So, we can already see that we’re reaping some of the benefits of having the lithium project coming into our North End.

With that said, thank you.

CHAIR PAZ: We do not see anybody else here.

(indiscernible) wish to speak, I will just confirm in Sacramento if there are any members of the public that you see?

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

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

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

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

CHAIR PAZ: Yes.

MR. GERTZ: I’m sorry it’s been such a long meeting. But I have a couple viewpoints that are pretty much opposed to each other occurring at the same time. But I ask all of us, including the Lithium Commission, to consider seriously the ramifications into the future. And that is, we have the lithium experience, lots of energy, lots of excitement. Everyone of many are
counting the billions of dollars that could derive from lithium extraction, the industry it might bring to the area.

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

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

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

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

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

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

MR. GERTZ: Thank you.

CHAIR PAZ: Thank you.

MS. LOZA: The next hand raised —

(Laughter)

(Pause)

VICE CHAIR RYAN KELLEY: No more comments.

It’s all good.

MS. LOZA: One second.

(Pause)

Audio-tech issues.

The next hand raised is from John Hernandez.
You should be able to unmute yourself.

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

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

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

CHAIR PAZ: Thank you.

MS. LOZA: We have two comments in the chat.
So, the first one is from Charlene Wardlow. It says, “The Imperial Valley Economic Development Corporation is holding an Economic and Energy Summit at the Imperial Valley College on June 16.”

The next comment is from Tom Stephen. It says, “Can preliminary quantity and quality estimates of new water needs for lithium separation from geothermal brine be included with the upcoming technical workshop?”

(Pause)

I have a hand raised from John Hernandez.

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

MR. HERNANDEZ: I already spoke. Thanks.

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

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

No, we don’t have any. Okay.

And so, moving on then to — where are we? Updates from the Lithium Valley Commissioners. So, I will start — let’s see. I want to acknowledge that there was a receipt of two letters. The first letter was sent by multiple organizations and community residents to Governor Newsome and other legislative
parties and copied to a number of Lithium Valley
Commission members, CEC representatives, and other state
and local agency representatives. The letter, which was
dated May 4th, was docketed by the CEC. I have
requested the CEC to explore options to respond to the
parties and organizations that authored this letter and
will provide an update on next steps following their
exploration.

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

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

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

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

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

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

So, I want to thank Secretary Granholm, who did visit along with her team, including Karen, who we
heard from before. And also acknowledge and thank the leadership of Governor Newsom and his administration for making similar commitments to this community, and — um, including many of those aspects around the importance of community engagement and spearheading the conversations on community benefits, local hires, and good high paying jobs.

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

So, I see Commissioner Olmedo.

COMMISSIONER OLMEDO: Thank you, Madam Chair.

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

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

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

I want to thank the school. I know they’ve received numerous thanks, but I want to thank them as well. The city, and I want to actually uplift Bombay Beach, because they did have a lot of representation here, and, you know, don’t want them to feel like we’re not acknowledging them. I want them to know that they — we are. They’re definitely in the conversation. But I
do want to thank them for turning up in a good number of folks here, and I encourage you to continue to participate here and I encourage, you know, other communities to also participate. Thank you.

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

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

CHAIR PAZ: Thank you.

COMMISSIONER FLORES: And none from me as well.

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

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

(Pause)

COMMISSIONER REYNOLDS: That’s right, Madam Chair.

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

MS. LOZA: So, the first person should be
LCJA? You should be able to unmute yourself.

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

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

LCJA: Okay, sorry, I’ll wait for that. Thank
you.

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

MR. LAKIC: Hello, can you hear me?

MS. LOZA: Yes.

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

And, I’m hearing also people — blah it will be
some hybrid design. Hybrid design, it doesn’t work that
way, people. Please, understand. You cannot do plan
for roofing, and windows, and you don’t have master
plan, you don’t have foundation, you don’t have plan for skyscraper or building or whatever you want to do, that project.

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

CHAIR PAZ: Thank you.

(Pause)

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

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

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

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

CHAIR PAZ: Thank you.

MR. GUERRERO: Good afternoon. My name is Daniel Guerrero. D-A-N-I-E-L G-U-E-R-R-E-R-O. And, I live in Bombay Beach. And it’s really exciting to hear all that the lithium production is going to bring to California and Imperial County, and I’m hoping that the
little crack in the floor board known as Bombay Beach would somehow be incorporated into your planning and — it has really been hit hard in the past few decades. And the people there have lived through it and endured it, and their current state is basically a reflection of that.

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

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

But, I want to mention that we need to also work with the state simultaneously so that we can go ahead and have the lithium project, but address not only the habitat and the drying of the Sea. We don’t want to live in a dust-bowl. It’s coming. It’s long time coming. We always say, you know, when it’s windy, that
we’re getting the Santa Anna winds. When it’s cold we’re getting the cold front from the San Diego mountains. So, with that said, I encourage the Imperial Valley Lithium Commission to also reach out to the state, simultaneously, so we can get some funding and start some projects going at the same time that we have the lithium projects going on. Thank you.

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

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

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

(Pause)

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

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

CHAIR PAZ: Sure.

LCJA: Thank you.

MR. BAUTISTA: (Public comment in Spanish)
LCJA: So, I want to talk about how the plans are in Imperial County, and want to make sure that right now you’re not saying that there’s not going to be any significant impact to the environment, and then later on be like, well it happened.

MR. BAUTISTA: (Public comment in Spanish)

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

MR. BAUTISTA: (Public comment in Spanish)

LCJA: Those are my two main points. Gracias.

Thank you.

CHAIR PAZ: Gracias.

MR. BAUTISTA: Gracias.

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

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

CHAIR PAZ: Thank you so much. So, this concludes our general public comments, and the meeting is now adjourned at 5:31. Thank you everyone for hanging in and for your participation.
(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
CERTIFICATE OF TRANSCRIBER

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.

__________________________
MARTHA L. NELSON, CERT**367

June 17, 2022