

DOCKETED

Docket Number:	20-LITHIUM-01
Project Title:	Lithium Valley Commission
TN #:	246468-1
Document Title:	Commissioner Hank's Comments on the Draft Report of the Blue Ribbon Commission on Lithium Extraction in California
Description:	N/A
Filer:	Erica Loza
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	10/11/2022 2:35:32 PM
Docketed Date:	10/11/2022



IID

A century of service.

www.iid.com

Since 1911

October 10, 2022

California Energy Commission
Docket No. 20-LITHIUM-01
715 P Street
Sacramento, CA 95814-5512

Re: Comments on Draft Report of the Blue Ribbon Commission on Lithium Extraction

The Imperial Irrigation District (IID) respectfully submits the following comments on the Draft Report of the Blue Ribbon Commission on Lithium Extraction, also known as the Lithium Valley Commission (LVC).

The draft report, due to the legislature by October 1, 2022 and acknowledged to be late, is a requirement under subsection (g) of AB 1657 (E. Garcia, Chapter 271, Statutes of 2020). Subsection (d) lists in a very particular order the areas the LVC is to study and upon which to issue its report and recommendations. Upon review of the draft report, it is clear the LVC has ignored the wishes of the legislature and instead substituted its own order of priority as to the areas of review and analysis. Because of this change, the draft report creates an impression that particular sections take precedence over those outlined by the enabling legislation.

It is clear from a reading of subsection (d) the legislature has taken the position that efforts to encourage, promote and foster lithium recovery are important and the LVC is tasked with carrying out its vision. There are eight subtopics under subsection (d) of which the majority are focused on the primary issues that must be further analyzed or investigated to unlock the potential benefits of this new industry. However, the draft report seems to focus much attention on environmental issues. While we can all agree that environmental issues are to be addressed, they should not be the draft report's primary focus.

Outlined below are particular sections of the draft report and accompanying comments from IID for your further consideration.

Page 8, Executive Summary: *Require that lithium production projects integrate mitigation measures, beyond those required by CEQA, that address the importance of working to restore the balance of nature and preserving ecosystems and cultural landscapes and take into account cumulative impacts.*

Comment: Suggesting that mitigation measures surpass CEQA will lead to unnecessary expense and serve as a detriment to investment and development. This recommendation is the result of the unfounded assertions made during the course of multiple LVC meetings.

Page 10, Executive Summary: Conduct required planning and secure funding to support regional infrastructure improvements and engage a local coalition of public agencies and residents to identify priority projects needed to protect public health and safety as well as improvements needed develop to attract new, sustainable business development and economic activity.

Comment: This recommendation begins from the premise that lithium recovery is dirty, dangerous and poses a threat to public safety and health. Instead a more measured approach would be to first establish, if it can be done, that additional protection is necessary.

Page 11, Executive Summary: Ensure safety for all workers, community members, and first responders, by requiring that lithium recovery and processing facilities make information available and provide education to residents and affected businesses and service providers regarding the materials and processes used in their facilities, the final and intermediate products created, and any waste streams that must be managed.

Comment: Again, the assumption is that lithium extraction represents a threat similar to a nuclear energy plant and that particular measures are to be required.

Page 6: A newly created volume-based tax on lithium extraction that will take effect on January 1, 2023. The tax rate of \$400 per metric ton for the first 20,000 tons of lithium carbonate equivalent extracted, \$600 per metric ton extracted over 20,000 up to 30,000 metric tons, and \$800 per metric ton for lithium carbonate equivalent extracted over 30,000 metric tons.

Comment: The failure to indicate that there is widespread opposition to this taxation formula renders the discussion of this topic incomplete and will cause those opposed to the tax scheme to discount the integrity of the report.

Page 9: And the record of Commission proceedings underscores that while the development of a geothermal and lithium based economic hub can lead to new industry and businesses, it can also lead to adverse impacts, environmental or otherwise, on the overburdened and underserved communities in the region who suffer from poor air quality, and a lack of infrastructure, including a lack of roads or roads in need of maintenance, adequate streetlights and sidewalks, public transportation and effective mobility options, and communication infrastructure, for example, access to high-speed internet (broadband).

Comment: This section underscores the overreach of the draft report. There is an assumption of adverse impacts and the lengthy list of community improvements attempt to place the burden on the geothermal/lithium industry without a nexus.

Page 18: This report generally refers to hard rock mining and evaporation ponds as extraction, and DLE as recovery but there are instances in AB 1657 and related references in this report that use the term lithium extraction and mining to more generally describe all three methods.

Page 3
October 10, 2022

Comment: It should be more forcefully said that such a description can create confusion in the public's mind and lead to unintended consequences.

Page 30: *Concerns of the battery life cycle and planning as to how used batteries will be handled as the number of electric vehicles increases.*

Comment: This is another example of the overreach of the draft report. Placing the responsibility for battery disposal on the geothermal/lithium industry is inappropriate.

Page 36: *Require the IID to identify the specific water needs for anticipated project comprehensively, not in isolation, but considering all the known developers' plans to bring new geothermal power plants on-line by 2024 with facilities using DLE technology to recover lithium from geothermal brine.*

Comment: IID works closely with project proponents to address water supply requests in the context of existing policies and current water supply and demand conditions. Water supply analyses and more comprehensive demand planning occurs through the CEQA process and in Water Supply Assessments, for which Imperial County is the lead agency.

Page 42: *State transmission planning entities and local utilities should pursue making investments for transmission upgrades.*

Comment: Change the word "should" to "must" in this recommendation.

Page 63: *Encourage IID to use royalties from geothermal resources, including recovery of minerals from geothermal brine, to reduce electricity rates for SB 535 disadvantaged communities in their service territory.*

Comment: IID understands the needs of its customers and offers income-qualified assistance programs to help offset their monthly energy costs. IID will continue to offer these assistance programs for the foreseeable future.

In closing, IID appreciates the opportunity to submit these comments and looks forward to the continued collaboration and dialogue required to complete this important report. Should you have any questions, please contact Antonio Ortega, Governmental Affairs Officer, at 760-604-1092 or via email at aortega@iid.com.

Sincerely,



James C. Hanks
Board President