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# Lithium Valley Commission Draft Report

Comments and recommendations

Comments: Commissioner Rod Colwell  
Sub-body: Legislative and Regulatory Changes  
Date: October 10, 2022

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## General Comments

- Thanks to the CEC staff on a great effort to produce the initial Lithium Valley Blue Ribbon Commission Draft Report.
  - This draft report captures the essence of over 20+ Lithium Valley Commission meetings and it is a strong framework to build on. While this work is to be commended, this draft does not yet adequately reflect what I believe to be the most important mandate given to the Lithium Valley Commission.
  - For this commission to achieve its goals, the fourteen Lithium Valley Commissioners tasked with this effort must provide their specialized input for inclusion in the final report.
  - Fellow commissioners have provided contributions regarding the importance of social and environmental responsibilities, so I will not go into detail on these sections here. My comments will focus predominantly on the sub-body I was elected to contribute to: **Legislative and Regulatory Changes**.
  - These recommendations are provided to ensure our efforts also meet the requirements of the market. Failure to do so means we will not see *any* of the benefits that lithium production can provide for Imperial County, surrounding communities, and for the entire State of California.
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## Recommendation

To achieve “*legislative or regulatory changes necessary to grow this industry in the state,*” the Lithium Valley Commission should recommend the following.

***Recognize the critical importance of developing Lithium Valley in a timely manner and prioritize permitting under strict guidelines to achieve this including the recommendation that additional support be given to lead agencies tasked with this priority workload.***

- California has already taken the first step. Now it must prioritize this emerging lithium industry and give it the attention it requires to be competitive and to thrive.
- If administrative actions can be swiftly implemented, Imperial County and surrounding counties will be better positioned to attract a wide range of clean energy and EV battery manufacturing industries to the region. This will help secure a stable and reliable revenue base and create a variety of good paying jobs and educational opportunities to achieve deep and lasting prosperity for Imperial County – all while maintaining the highest environmental and sustainability standards.
- To put these opportunities in perspective – One Cathode Active Materials (CAM) facility could bring over \$3 billion in immediate development investment to the region and create 3,000 good-paying jobs. One battery manufacturing facility could add a further \$4 billion in development investment

and another 4,000 good paying jobs. If supported, one lithium recovery and refining project alone will inject over \$1 billion in development investment into the local economy from its first stage. At this moment, 'Lithium Valley' has the potential to attract \$8-10 billion in development funding and investment over the next 2 years and create over 7,000 good paying jobs.

- To ensure Imperial County does not miss out on these opportunities, California should consider establishing a *Priority Permitting Program* for eligible Lithium Valley projects. This would not change strict permitting procedures. This would simply put Lithium Valley projects in front of the line and allow local and state lead agencies to be given the additional support they need to handle the extra permitting workload.
- There are examples where the federal government has taken administrative action to expedite critical projects without sacrificing environmental protection and stakeholder participation. As just one example, California could use the Defense priorities and Allocations System (DPAS) as a model for prioritizing the state's permitting process. The federal government uses DPAS to prioritize national defense-related contracts/orders to support, among other things, critical infrastructure requirements. The Biden Administration has already invoked the DPAS to expedite the development of a critical minerals supply chain. California could similarly prioritize the lithium industry to ensure that permitting processes meet the requirements of the market.
- While the Lithium Valley Commission has been discussing this for almost 2 years, the U.S. has run out of time to meet Governor Newsom's deadlines for emission-free vehicles. The auto industry needs Lithium Valley producers to be operational by 2024 to meet state and national mandates.
- The lithium industry is ready to deploy and could meet these ambitious timelines, but industry requires government to prioritize development activities – the same way that other green energy industries like solar and wind projects have been prioritized for many years.

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### **Draft Report Comments**

- **Reduce recommendations** - Dramatically reduce the number of recommendations included in the report and remove duplication of recommendations that are already covered by California law.
- **Identify realistic timelines** - Report should subdivide **immediate, mid-term, and long-term goals**. If long-term goals are not clearly identified from immediate goals with realistic timelines, then the Lithium Valley Commission's report will effectively hamper efforts to develop 'Lithium Valley'.
- **Do not minimize the efficacy of CEQA** - CEQA maintains the highest environmental standards in the United States. Recommendations that CEQA be expanded on suggests that CEQA is 'lacking', which is misleading and will create further uncertainty across the community and industry.
- **Project Labor Agreements and Community Benefit Agreements** – Industry is already self-regulating on this front and doing a very good job. Recommending mandatory CBAs would open every industry in California to be mandated in a similar fashion, creating even more overall uncertainty.

In summary, while recognizing the important learnings from the past two years, the Lithium Valley Commission still needs to meet the mandate it was tasked with and avoid significant 'purpose creep' in the final report.

I believe these comments and recommendations will help us get there.

**Commissioner Rod Colwell**