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*Comment Received From: Peter F. Smith
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**Citizens Energy Comments on Draft Report of Lithium Valley
Commission**

Additional submitted attachment is included below.



CITIZENS
ENERGY
CORPORATION
a non-profit energy company

October 26, 2022

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

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

Citizens Energy (“Citizens”) is pleased to provide comments on the draft report from the Lithium Valley Commission. Citizens was formed during the oil-price shocks of the late 1970s to provide low-cost home heating oil to the poor and the elderly. Former U.S. Representative and current Citizens Energy Chairman Joseph P. Kennedy II founded the company with the belief that profits from successful energy ventures could be used to write down the cost of fuel to vulnerable families having to choose between heating and other basic needs. Citizens relies on profits from the businesses it owns and operates to generate revenues for charitable and social programs. Channeling over \$600 million of benefits to the most vulnerable people around the world over its 43-year history, Citizens’ current operations include high-voltage transmission, utility-scale solar (including low-income community solar), battery-energy storage, and energy microgrids.

We commend the Commission and staff for providing a holistic assessment of the benefits, risks, and challenges for California to become a major domestic source of the lithium needed in the manufacture of batteries for electric vehicles. The draft report highlights the benefits of additional geothermal electricity produced in the Imperial Valley, while simultaneously offering the opportunity for direct extraction of lithium from the brine before reinjection into the geothermal aquifer. Not only will this additional geothermal generation benefit California in meeting its aggressive greenhouse gas (GHG) reduction goals, the electrical output will also significantly improve grid reliability in the region.

Citizens’ comments focus on the two transmission-related recommendations:

- On pg. 9, “*State transmission planning entities and local utilities should continue the pursuit of investing in transmission upgrades to address transmission needs for geothermal energy delivery from the Imperial Valley area over the next 10 years.*”
- On pg. 10, “*State transmission planning entities and local utilities should pursue making investments for transmission upgrades to address transmission needs for geothermal energy delivery from the Imperial Valley area over the next 10 years.*”

Citizens agrees with the Commission’s recommendations to invest in transmission expansion/enhancements to address the needs for geothermal energy delivery. However, there is a way this investment can also bring additional benefits to low-income residential electricity customers in the region. Over the past 15+ years, Citizens has pioneered a unique business model in high-voltage transmission whereby Citizens partners with utilities and energy infrastructure developers to finance, and own, a portion of new transmission facilities, while committing to use **50 percent** of its annual profits from the project to fund energy assistance programs in Environmental Justice (EJ) communities in the project area. The other 50% of profits fund Citizens’ operations seeking additional project opportunities. The assistance provides a meaningful, sustainable, and incremental financial benefit to EJ communities for 30 years. Investing its own capital in the transmission facility, Citizens earns the same return as our

utility partner and shares those profits with needy families rather than simply passing the cost of these programs through to end-customers as is usually the case.

Far from conceptual, Citizens has demonstrated the viability of its transmission business model across three projects in California, which will collectively produce over \$75 million of assistance for low-income families who live in the project area. Specifically:

- Citizens partnered with San Diego Gas and Electric (SDG&E) on the Sunrise Powerlink, a 120-mile \$1.9 billion 500 kV line from the Imperial Valley of California into SDG&E's service territory, completed in 2012. Citizens' ~\$100 million investment is providing \$1.5 million of assistance per year to Imperial County's significant low-income population. Working with the Imperial Irrigation District (IID), Citizens created the nation's largest low-income community solar project, providing approximately \$350 in annual benefits to 12,000 needy families.
- Following the success of the Sunrise Powerlink, Citizens partnered again with SDG&E to finance a portion of the transfer capacity in the Sycamore-Penasquitos 230 kV project, a \$230 million 20-mile underground transmission line completed in 2018. Citizens' \$30 million investment is providing \$450,000 per year, which is used to electrify the vehicle fleet of San Diego County non-profit organizations providing critical services to the poor.
- Citizens is partnering with IID to fund a \$40 million upgrade to an existing 230 kV line (S Line) that will bring grid benefits to the CAISO. Once operational in 2023, this investment will produce ~\$18 million of assistance to help ease the energy burden on IID's low-income customers.
- Citizens is working to develop additional transmission in the Imperial Valley, partnering with IID and Grid United on the North Gila – Imperial Valley #2 (NGIV2) 500kV line, which is currently being studied by the CAISO as part of their grid planning efforts.

Regulatory support for Citizens' business model is well-tested, having received regulatory approvals from agencies including the Federal Energy Regulatory Commission (FERC) and the California Public Utilities Commission (CPUC). Further, both the Sunrise Powerlink and Sycamore-Penasquitos projects are operational and part of the CAISO grid.

With several operational projects in California, Citizens would be pleased to provide additional information to any Lithium Valley Commission stakeholders – transmission planning entities, utilities, regulators, elected officials, etc. – to discuss ways Citizens can help achieve the objectives and vision of developing the Lithium Valley. Please let me know if you would like any further details or discussion of the information provided.

Sincerely,



Peter F. Smith
Chief Executive Officer