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Responses to report recommendations

In regards to the Commission's recommendations, my comments primarily address administrative concerns and issues. The recommendations do not address specific funding methodologies, State agencies, departments that would be tasked to regulate and oversee the administration of the proposed policies. Lithium extraction will require the creation of additional governmental responsibilities, standards, procedures, regulations and financial costs. Consequently, many decisions have yet to be made which will require a sustained engagement from the stakeholders and residents of the Salton Sea KGRA. Comments regarding specific areas of the recommendations are as follows:

A1: Who will require the IID to identify the water needs? Is this a one-time exercise or will this need to be done annually, bi-annually throughout the course of production?

A2: State Transmission Planning entities and local utilities pursuing investments for transmission upgrades will use funding from what source?

B1: State funding used to support the start-up and expansion of manufacturing businesses will come from what part of the budget? What State department will administer these funds? What will be the criteria used to authorize State funds for this purpose?

B2: Regarding the recommendation to "continue to provide research and development funding to advance lithium", what is the source of the funds? How does a research and development entity qualify for funding?

B3: What is the source of the funds? What State agency will lead development?

B4: Who will lead the development of a "circular lithium economy"?

B5: Recommended procurement policies need to be defined? What State agencies will provide oversight? Who will fund the additional administrative cost to accomplish these policies?

B6: Who will be the designated agency to oversee the digital identifier on all lithium-ion batteries sold in California? What State funding source will cover the cost of the implementation of these policies?

C1: Addressed in A2

D1: Who will lead and coordinate planning and attempts to secure funding to support regional infrastructure improvements and engage a local public agencies and residents?

D2: Addressed in B2

D3: Who will lead the effort to "foster collaboration across the supply chain"?

D4: What state agency will be responsible for leveraging federal funding? What agency will be responsible for administering all leveraged funds?

E1: Historically these type of projects are often subject to lawsuits by environmental groups. It is important to protect the environment and take all necessary precautions to do so, however how can lithium extraction be done in an environmentally safe manner and yet protected from frivolous litigation? This can create barriers to progress that everyone wants.

E1(a): Who are the lead agencies identified in this recommendation? What funding will be made available to accomplish these tasks?

E1(b): What will be included in a "health impact assessment"? Is this an epidemiological report or public health survey? What will be the health standards that will be used to identify any negative health impacts? What will be the intervention or actions taken if negative health impacts are identified? How often will assessments be needed? Additionally, any type of health impact assessment will need to establish baseline health conditions to distinguish between pre-existing conditions and health conditions acquired subsequent to the initiation of lithium extraction. Any health condition acquired subsequent to the initiation of lithium extraction should attempt to rule out a correlation to lithium exposure.

E2: What will be the source of funding for the identified state agency(ies) to oversee production entities? Who will establish the metrics used to measure impacts of water use, emissions, waste produced and managed?

E3: No comment

E4: What will be the source of funding for state and local oversight responsibilities?

F1: Who will monitor progress and identify opportunities to build on the investments provided to Imperial County? How will this monitoring responsibility be funded?

F2: This was addressed in E1(b)

F3: This was addressed in E1 (b), however it must be emphasized the need to define what consists of a health impact assessment and what standards will be established to define varying levels of health impact. Additionally, if health is found to be affected negatively, what will be the interventions?

F4: No comment

Economic Impacts

1. No comments

2. The distribution of funds from the new excise tax on lithium production requires further guidelines or legislation to define a distribution methodology. Additionally, funds used for community engagement needs further definition. What is the goal of community engagement and how long does community engagement continue? When is a community determined to be fully engaged?

3. Identifying Lithium Valley as a region rather than the area where Lithium is extracted is problematic. This should be initially defined as the area where Lithium is extracted. If such industry expands its reach to outlying areas, the region can then expand. This should be driven by economic growth rather than arbitrary assignment of a region.

4. Directives from what state agencies that prioritize public investment? What if these directives are not followed?

5. Community benefits agreements need to emphasize the importance of establishing point of sale lithium related business in order to realize the benefit of sales tax revenue

to local communities. Who will provide leadership on the formation of a community advisory council? What will the membership of a community advisory council consist of?

Workforce Development

1. Define "High Road job and career approaches"
2. Project labor agreements should give priority consideration to local unions and trades
3. No comment

G1. No comment

G2. Who will provide the leadership and direction for this exploration of incentives?

G3. What funding source will be used to establish and support a business service center?

G4. No comment

H1. This will create increased government administration and oversight. How will this be funded? Who will develop the government regulations associated with this task?

Community Perspectives

1. No comment

2. No comment

3. How will this be funded and what are the criteria to qualify to receive this funding?

What does "participatory budgeting for future investments" mean?

4. Identifying Lithium Valley as a region rather than the area where Lithium is extracted is problematic. This should be initially defined as the area where Lithium is extracted. If such industry expands its reach to outlying areas, the region can then expand. This should be driven by economic growth rather than arbitrary assignment of a region. This may have the unintended consequence of siphoning positive economic impact from Imperial County.

5(a). This was addressed in F3

5(b). What are the criteria for qualifying for a grant? Who will administer and oversee the grant process and reporting?

Tribal Perspectives

1. No comment

2. No comment

3. No comment

4. No comment

5. No comment

Finally,

It has been noted that all of these recommendations will expand government administration and oversight responsibilities. This expansion of government should not be paid for from the proceeds of the Lithium excise tax. These funds should be for the Salton Sea Subaccount and for the locally impacted communities.

Additionally, the Salton Sea Subaccount should not be a replacement for the Salton Sea restoration funds already set aside by the State.