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# **RE Draft Report of the Blue Ribbon Commission on Lithium Extraction in California**

Additional submitted attachment is included below.







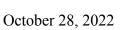
















Chair Silvia Paz, and Lithium Valley Commission Members Lithium Valley Commission California Energy Commission 715 P Street Sacramento, CA 9581

### RE: Draft Report of the Blue Ribbon Commission on Lithium Extraction in California

Dear Chair Paz and Lithium Valley Commission Members,

Thank you for your work this past year to produce the Draft Report of the Blue Ribbon Commission on Lithium Extraction in California (Draft Report). The undersigned organizations respectfully submit this letter in response to the Draft Report and provide specific recommendations we believe can strengthen and better serve the state legislature moving forward. Please refer to the attached *Appendix I* for our definitions of: Salton Sea region, local communities, "Lithium Valley," lithium industry, and impact zone.

Over the course of the past two years, many of us have engaged on the topic of lithium extraction to bridge the gap between the local community and the public entities involved, including the California Energy Commission (CEC) and the Lithium Valley Commission (LVC), to ensure the public is well informed and engaged throughout the decision-making process. We have consistently worked to represent the needs and concerns of communities and continue to urge all relevant agencies and stakeholders to prioritize local communities throughout this process. This letter addresses the Draft Report and provides additional recommendations to ensure informed and equitable decision-making and to support residents in their fight for environmental justice in the context of the lithium industry.

We support the nation's effort to transition away from fossil fuels and increase the use of renewable energy sources, and recognize the need to do so rapidly to address the climate crisis. The transition away from fossil fuels is critical to ensuring that California and the United States are able to achieve our ambitious climate goals and be equally dedicated to ensuring that this is a

just and equitable process that does not harm environmental justice communities and thus perpetuate the status quo of extractive legacies.

We understand and encourage a future in which developments in battery technology enable a move away from extractive economies. While the current development of "Lithium Valley" has the potential to increase economic development in local communities — communities which continue to be impacted by historic underinvestment — it is critical that we ensure that the development of this industry prioritizes the health, environment, and quality of life of local communities as it seeks to address global needs.

We appreciate the work of the LVC and the CEC to develop the draft recommendations in the Draft Report. We believe the Draft Report provides a valuable summary of the status quo, and its recommendations show promise for both achieving our shared goals around transitioning to clean energy and ensuring that the processes to do so are just and equitable by engaging local communities and ensuring that industry benefits are invested throughout the region. While these recommendations show promise, we also believe that the Draft Report leaves many questions unanswered around both how these recommendations will be refined and implemented, and what the role the LVC, state agencies, and the legislature will play in that implementation. In summary, we present our support for some of the Draft Report's recommendations and ask that these be expanded to guide the state legislature to:

- Implement all recommendations that call for a continued and enhanced engagement and consultation process with local communities and Tribes prior to the development of new policy, programming, and investment proposals that support lithium extraction and processing.
- 2. Define an official geographic area known as "Lithium Valley" that identifies the tentative development and impact zone within the Salton Sea region.
- 3. Require project developers to include additional analyses and processes in concert with environmental reviews imposed by CEQA to ensure the full protection of and benefit to the people of the Salton Sea region.
- 4. Prioritize the region's public and environmental health by preventing or fully mitigating any impacts resulting from the geothermal and lithium industries, recommend Health Impact Assessments (HIAs) be required, and identify enforceable mitigation measures prior to issuance of applicable permits.
  - a. Require an independent entity to conduct a thorough water analysis of availability and need across the region before allocating additional water to the geothermal and lithium industries.
  - b. Require the disclosure and monitoring of potential threats to air and water quality.
- 5. Prioritize investments from the state and lithium-generated revenues for community-serving and infrastructure projects that are identified in collaboration with local residents.

1. Implement all recommendations that call for a continued and enhanced engagement and consultation process with local communities and Tribes prior to the development of new policy, programming, and investment proposals that support lithium extraction and processing.

Since the inception of the LVC, we have advocated for meaningful community engagement and accessibility to LVC discussions and decisions in order to ensure that all community concerns with the lithium industry were addressed. We support the draft recommendations for improved and continued community engagement as described in Chapter 3.<sup>1</sup> These recommendations should further detail that all future community coordination, education, and engagement efforts be informed through a state-led audit reflecting on the effectiveness of outreach and engagement to-date in order to ensure that new actions to promote engagement are directly responsive to previous shortcomings.

Past shortcomings that need to be addressed include: inaccessible timing and length of meetings, language and material accessibility, direct and clear responses to community questions and concerns, and consideration of public input. The final report should clearly describe the LVC's community engagement and Tribal consultation efforts to-date and reflect on lessons learned. To-date, the public engagement process has been inaccessible and exclusionary. The most recent example of this being the rescheduling of the 10/31/22 public meeting during work hours, which is inaccessible to working community members. At a time when public meetings are crucial to ensure a robust public review process, the LVC and CEC must improve their community engagement methods to accommodate the working families who wish to engage in this process.

We therefore ask that the final report urge the appropriate state entities to ensure that all recommendations in the report that call for continued engagement and consultation with local and Tribal communities be improved and implemented prior to granting additional investments, policy proposals, or programming. This can include broader public outreach, information-sharing, direct and continuous consultation with residents and Tribes, and other creative ways that may support public engagement as you move forward. The final report must also clarify what the purpose, role, and scope of work of the LVC will be through its expiry in 2023 and how the public's role will be furthered.

2. Define an official geographic area known as "Lithium Valley" that identifies the tentative development and impact zone within the Salton Sea region.

<sup>&</sup>lt;sup>1</sup> <u>Draft Report of the Blue Ribbon Commission on Lithium Extraction in California"</u>, Pgs #29-31,Lithium Valley <u>Commission</u>, <u>September 21, 2022</u>

We support the draft recommendation for the state to formally define "Lithium Valley." In addition to our recommended definition below, we encourage the LVC and CEC to lead a collaborative process that considers the input of various stakeholders, including residents of the Salton Sea region, to inform the official definition. The final definition may also benefit from establishing tiers for the different levels of impact in communities within a certain radius of extraction zones, communities impacted by air quality and goods movement, and communities impacted by water supply or other issues.

We recommend that the definition of "Lithium Valley" identify the tentative development and *impact zone* of the geothermal and lithium industries within the Salton Sea region. This will help set clear parameters for future development and allow all communities directly or indirectly impacted to have a say in the process. Local residents continue to question the integrity and safety of the lithium industry and its potential impacts on public and environmental health. On October 10, 2021, Leadership Counsel in collaboration with ECV residents submitted a letter to the LVC raising these concerns which have yet to be fully addressed.<sup>3</sup> Industry assertions that there will be no impact is insufficient and irresponsible in absence of deeper analysis of environmental and social impacts to the region to inform their assertions. All communities at risk of impact must be included in the definition of "Lithium Valley," as determined by a comprehensive environmental review process.

Additionally, one of the main components of the Draft Report emphasizes the need for a localized supply chain to create a full circular economy to ensure the success of "Lithium Valley," which would include lithium extraction, processing, battery production and recycling, and lithium-dependent product manufacturing to meet the needs of the midstream and downstream components of the battery supply chain. This further warrants a more regional and holistic perspective to better support communities within our suggested "Lithium Valley" impact zone. To that extent, the official definition for "Lithium Valley" must include the ECV communities of Coachella, Thermal, Oasis, Mecca, and North Shore, in addition to those already included in the Draft Report.

3. Require project developers to include additional analysis and processes in environmental reviews imposed by CEQA to ensure the full protection of and benefit to the people of the Salton Sea region.

We commend the Draft Report's recommendation that environmental review include all requirements imposed by CEQA and include additional analyses and processes to ensure the full protection of and benefit to the people of the Salton Sea region.<sup>4</sup> The final report must further

<sup>&</sup>lt;sup>2</sup>Draft Report of the Blue Ribbon Commission on Lithium Extraction in California", Pg #30,Lithium Valley Commission. September 21, 2022

<sup>&</sup>lt;sup>2</sup>Leadership Counsel for Justice and Accountability. Letter to Lithium Valley Commission. "Public Engagement and Outreach Related to the Lithium Valley Commission," October 8, 2021.

<sup>&</sup>lt;sup>4</sup> Draft Report of the Blue Ribbon Commission on Lithium Extraction in California", Pg #13, Lithium Valley Commission, September 21, 2022

emphasize the duty of lead agencies under CEQA by supporting a full analysis of all potentially significant impacts on the environment and public health; to identify and adopt *all* feasible mitigation measures to avoid and reduce project impacts; and to fully consider and adopt, where appropriate, project alternatives (including no project alternatives) that would avoid and reduce impacts. Additionally, we urge the LVC to include a recommendation that all environmental reviews also include impact analysis on the socioeconomic and demographic factors focused on the impacts on protected classes. Ultimately, any project associated with the geothermal and lithium industries should ensure that disproportionately high and adverse human health or environmental effects on disadvantaged communities and communities of color are identified and addressed.

Further, the LVC must emphasize that public agencies must not rely on statements of overriding consideration to justify adverse impacts, especially where doing so would conflict with their duties under fair housing and civil rights laws. The Draft Report must also urge the legislature to reject any streamlining proposals that would in any way weaken environmental review or limit public participation in the process. While Imperial County has indicated its intention to proceed with a Programmatic Environmental Impact Report (PEIR), the final report must urge the legislature to require Imperial County and other public agencies to fully analyze and mitigate the unique impacts of specific projects and facilitate robust community engagement in their development and permitting, and must not rely on the PEIR to fasttrack review that deprives community residents of the full benefits and protections of California Environmental Quality Act (CEQA).

The environmental review and permitting process must also take into consideration other lithium industry related projects and activities outside California and how these will work in correlation with those in "Lithium Valley," including any connections via the goods movement. Lithium industries operating outside of California borders can still have environmental effects in the state related to air pollution, hazardous waste, and goods movement.

We support the recommendation that all materials relevant to the permitting and environmental analyses of projects be made available in appropriate languages and written in layman's terms.<sup>5</sup> In addition, as mentioned above, the entire process must be accessible to local communities and community feedback must be meaningfully considered to inform decisions on permitting and environmental reviews.

4. Prioritize the region's public and environmental health by preventing or fully mitigating any impacts resulting from the geothermal and lithium industries, recommend Health Impact Assessments (HIAs) be required, and identify enforceable mitigation measures prior to issuance of applicable permits.

The final report must recommend that the legislature prioritize and protect the region's

<sup>&</sup>lt;sup>5</sup> <u>Draft Report of the Blue Ribbon Commission on Lithium Extraction in California"</u>, Pg #8, Lithium Valley <u>Commission</u>, <u>September 21, 2022</u>

public and environmental health through prevention, if technologically possible, and mitigation measures if not, of any impact resulting from the geothermal and lithium industries and subsequent supply chain. Communities across the Salton Sea region already face several environmental and health challenges caused by poor air quality, contaminated drinking water, illegal dumping, pesticide exposure, extreme weather events paired with frequent and extended power outages, and other challenges exacerbated by climate change and underinvestment. This emerging industry must not further exacerbate those conditions or hinder current efforts to remediate environmental injustices.

We therefore support the Draft Report's recommendations to conduct HIAs.<sup>6</sup> Additionally, the report must clarify that HIAs be required, and enforceable mitigation measures be identified prior to issuance of applicable permits. As a subsequent step, the HIAs must recommend the enforcement of appropriate prevention and mitigation measures of any such identified impacts. The final report must include a clear explanation of what appropriate prevention and mitigation efforts entail. Responsible agencies and parties must also develop emergency response plans to address potential hazardous events, including response guidance for local residents.

Furthermore, in an effort to comply with the broader just transition efforts of renewable energy, the final report must recommend the legislature to mandate all geothermal and lithium industry-related operations to adopt a zero-emission standard in order to reduce both mobile and point source pollution. This must include the exclusive use of zero emission heavy and light duty vehicles used for associated goods movement and other operations.

a. Require an independent entity to conduct a thorough water analysis of availability and need across the region before allocating additional water to the geothermal and lithium industries.

Water use continues to be a significant concern for the community, specifically how the industry will source water and at what quantity, in addition to the future availability and potential impacts to water quality. This is an extremely delicate matter for the region given the lack of access to safe drinking water, drought and climate change impacts, and the receding Salton Sea. There is already fierce competition for water allocations between luxury developments, agriculture, and other industries, both within and beyond the region and state of California. Despite Imperial Irrigation District's (IID) majority rights to Colorado River water, increased water supply challenges caused by the ongoing drought and increased water demand is a concern for the entire region.

The Draft Report raises the concern of the ability to expand geothermal development in Imperial Valley given the infrastructure limitations for transmission and water availability. and

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<sup>&</sup>lt;sup>6</sup> <u>Draft Report of the Blue Ribbon Commission on Lithium Extraction in California"</u>, Pg #11-12,Lithium Valley <u>Commission</u>, <u>September 21, 2022</u>

recommends that IID analyze the potential water needs for industrial development.<sup>7</sup> We ask that the LVC include an additional recommendation asking for the State Water Resources Control Board (SWRCB) and United States Bureau of Reclamation (USBR) conduct a water supply assessment of future water availability focusing on what can be expected from all water sources in the Salton Sea region in future climate scenarios, how much of that water is already allocated, and what regional needs have yet to be met, including drinking water and the Salton Sea.

As described in the EnergySource Minerals: Project ATLiS Environmental Impact Review, water use assumptions are based on historical entitlements to the Colorado River rather than potential future water supply scenarios for the region. We are deeply concerned with IID's reliance on their historical entitlements to Colorado River water to bolster their claims that water will be available for lithium extraction. Reliance on priority ignores the evolving reality of the Colorado River, our current drought, and the consistent requirements to conserve more and more Colorado River water each year, which as per California's recent voluntary agreement will now be as much as 400,000 additional acre-feet of water for the next four years.<sup>8</sup>

The final report must also remind the state of its responsibility to ensure that any water allocation to, or impacted by, the geothermal and lithium industries complies with all state and federal laws and policies, including, but not limited to, the Reasonable and Beneficial Use Doctrine, the Porter-Cologne Water Quality Control Act, the state and federal Antidegradation Policy, the Nonpoint Source Policy, the Clean Water Act, and the Public Trust Doctrine.

#### b. Require the disclosure and monitoring of potential threats to air and water quality.

The LVC and industry stakeholders repeatedly state that direct lithium extraction functions under a "closed-looped system" that occurs within pipelines and tanks, but have not provided a detailed explanation of this process, the chemicals used for extraction, and their impacts to other natural resources through brine reinjection. Environmental impact review processes must include a detailed explanation of the processes associated with lithium extraction and what the potential impacts are to air quality, soil composition, and water quality.

Further, the Draft Report states that there will be "recycling and reuse opportunities when considering all the products, by-products, and waste produced." Apart from the described iron-silica filter cake, the composition of these by-products and how and where they will be disposed of has not been confirmed. All handling, management, and disposal of these by-products must comply with the appropriate environmental and public health regulations and entities and persons charged with managing these by-products must exercise extreme caution to prevent any harm or hazard. The final report must describe how these processes will be done in

<sup>&</sup>lt;sup>2</sup> Draft Report of the Blue Ribbon Commission on Lithium Extraction in California", Pg #9, Lithium Valley Commission, September 21, 2022

<sup>8</sup> California, State of. California Water Agencies Pledge to conserve additional water to stabilize the Colorado River Basin – colorado river board. Accessed October 19, 2022.

<sup>&</sup>lt;sup>9</sup> "Environmental & Community Fact Sheet". Controlled Thermal Resources, March 3, 2022

<sup>10 &</sup>quot;Draft Report of the Blue Ribbon Commission on Lithium Extraction in California", Pgs #54-55, Lithium Valley Commission, September 21, 2022

an environmentally protective and sustainable manner.

Additionally, all lithium projects must be accompanied by surface water, groundwater, and air quality monitoring of sufficient temporal and geographic density to promptly detect any discharge of pollutants that pose a risk to public health or threaten to cause or contribute to a violation of water or quality regulations or policies. These are new processes, and without robust and transparent monitoring, nearby communities will not have adequate assurances that their air and water will be protected. All monitoring data must be available to the public and shared with appropriate regulatory agencies, including but not limited to the State Water Resources Control board, the Colorado River Regional Water Quality Control Board, the California Air Resources Board, and the South Coast Air Quality Management District.

## 5. Prioritize investments from the state and lithium-generated revenues for community and infrastructure projects that are identified in collaboration with local residents.

We support the draft recommendations to "[c]onduct 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."<sup>11</sup> However, the final report must acknowledge and respond to the significant opportunities that exist to invest in local communities to improve access to renewable energy, energy reliability and affordability, infrastructure resilience, and an overall just transition in the Salton Sea region.

Relevant state investments and lithium-generated revenues must prioritize and include community-identified investments to ensure an equitable transition and mitigate deeprooted extractive and discriminatory processes that may further harm environmental justice and underserved communities. Addressing the climate crisis requires meaningful investments and dedicated funding streams to local communities to enhance quality of life through infrastructure, education, employment, and housing, among others.

The Draft Report claims that the local energy demand is low, which mischaracterizes the complexities of the region's energy infrastructure and reliability issues. In addition to recommending transmission upgrades for geothermal energy delivery, we recommend expanding this recommendation in the final report to include investments in local energy infrastructure and access to renewable energy. Energy infrastructure deficiencies, especially in mobile home parks and unincorporated communities, severely impact energy reliability and quality of life across the region, especially during extreme weather events. We cannot address upgrades to our systems more widely without addressing the immediate needs of local communities.

Above all, the final report must guide the legislature on how to effectively employ a just transition by looking beyond lithium extraction, and address the region's larger regional

<sup>&</sup>quot;Draft Report of the Blue Ribbon Commission on Lithium Extraction in California", Pgs #10, Lithium Valley Commission, September 21, 21-09-2022

equitable development strategies. To do this successfully, the report should include the following recommendations to the legislature:

- Target investments to improve and maintain a resilient and stable power grid in the region by addressing the deficiencies in IID's electrical system and ensuring that the ECV and other communities have consistent and stable power year-round, including during extreme weather events.
- Provide funding assistance and other resources for local residents to access clean energy technology and appliances to advance household and building decarbonization, including electric vehicles, electric vehicle charging stations, eco-friendly home appliances, zero-emission transit and mobility options, energy storage (for single family homes, multi-family housing, and at the community scale), and solar-powered street lighting, insulation, energy efficient windows and doors to achieve passive solar levels, among other resources.
- Expand the already established lithium sub-account to include a community infrastructure fund as a mechanism to kickstart direct infrastructure investments at the community level throughout "Lithium Valley" as defined in this correspondence. This fund would draw investments from both public agencies and lithium-related revenues. Further, this fund must include a comprehensive community decision-making and participatory budgeting process to ensure equity and accountability through implementation.
- State subsidies for geothermal and lithium industries should be contingent upon an industry that fosters a strategic and equitable distribution of revenues across local communities. These strategies must foster a local economy that ensures access to high-road employment opportunities that offer upward professional and economic mobility, safe working conditions, job security, worker protections, and employment benefits. We support the draft recommendation on Workforce Development presented under section F of the Draft Report. This should include funding employment preparedness opportunities to support a local workforce, such as workforce development, educational opportunities, job training, paid internship and apprenticeship programs, and long-term jobs that pay a living wage.

Overall, we greatly support the draft recommendations to implement community benefit agreements, a community advisory board to inform these decisions, labor agreements to ensure worker protections and benefits, and participatory budgeting across the board.

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Finally, to provide next steps and continuity for the public, we ask that the LVC and CEC work with the state legislature to clarify how the recommendations will be implemented once

<sup>&</sup>lt;sup>12</sup> "Draft Report of the Blue Ribbon Commission on Lithium Extraction in California", Pgs #12-13, Lithium Valley Commission, September 21, 21-09-2022

submitted and include this process in the final report.

Given the potential impact and influence of the report in state decisions related to lithium extraction and processing, we hope our recommendations are sincerely considered. We appreciate the opportunity to comment on the Draft Report and look forward to continued engagement with the LVC and CEC to ensure the protection of local communities in the Salton Sea region.

Sincerely,

Mariela Loera Policy Advocate Leadership Counsel for Justice and Accountability

Andrea Vidaurre Senior Policy Analyst People's Collective for Environmental Justice

Katie Valenzuela Facilitator Building Energy, Equity & Power

Fatima Abdul-Khabir Energy Equity Program Manager The Greenlining Institute Jessica Tovar Energy Democracy Organizer Local Clean Energy Alliance

Alexis Sutterman Energy Equity Program Manager California Environmental Justice Alliance

Aydee Palomino Environmental Justice Campaign Project Manager Alianza Coachella Valley

Yaneth Andrade-Magaña Director of Community Capacity Building Pueblo Unido CDC

Mike Lynes
Director of Public Policy
Audubon California

## Appendix I

### Glossary

Term	Definition
Impact Zone	Refers to the geographical area within the Salton Sea region that may experience direct, indirect, and cumulative impacts from the geothermal and lithium industries, and subsequent development.
Lithium Industry	Refers to the development and operation of lithium extraction, processing, and product manufacturing, including the localized supply chain.
"Lithium Valley"	A region identified by the tentative development and <i>impact zone</i> of the geothermal and lithium industries within the Salton Sea region. Differentiated by tiers for the different levels of impact in communities within a certain radius of extraction zones, communities impacted by air quality and goods movement, and communities impacted by water supply or other issues. The official definition for "Lithium Valley" must include the ECV communities of Coachella, Thermal, Oasis, Mecca, and North Shore, in addition to those already included in the Draft Report.
Local Communities/ Local Residents	Refers to those communities and/or residents within the Salton Sea region with emphasis on those living in Coachella, Thermal, Oasis, Mecca, North Shore, Desert Shores, Bombay Beach, Salton City, Westmorland, Imperial, Brawley, Calipatria, and Niland.
Salton Sea region	As defined by the LVC, it consists of Coachella and Imperial Valleys. It includes all of Imperial County and most of Riverside County, extending from the Palm Springs area to Coachella and unincorporated communities near the Salton Sea, and then farther east to the California Arizona border.