

DOCKETED

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Filer:	Silvia Palma-Rojas
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Item 3: Information on the Blue Ribbon Commission on Lithium Extraction in California: Overview of Report to the Legislature

January 25, 2023 Business Meeting

Silvia Palma-Rojas, Supervisor
Reliability, Renewable Energy & Decarbonization Incentives (RREDI)
Division, Clean Energy Office



Benefits to California

- Creates vital economic engine
- Advances economic battery ecosystem
- Improves state and national security
- Becomes a competitive source of lithium





Overview: Assembly Bill 1657 (Garcia)

Review, investigate and analyze 8 topics:

- 1) Geothermal energy development for lithium recovery
- 2) Market opportunities
- 3) Electricity grid benefits
- 4) Technical and economic challenges
- 5) Safety and environmental protection
- 6) Economic benefits and environmental impacts
- 7) Local, state, and federal incentive and investment opportunities
- 8) Legislative and regulatory changes



Commission Members



Silvia Paz, Chair
ALIANZA COACHELLA VALLEY



Ryan E. Kelley, Vice Chair
COUNTY OF IMPERIAL



Steve Castaneda
MEMBER



Rod Colwell
CONTROLLED THERMAL
RESOURCES



Roderic Dolega
FORD EV PURCHASING



Miranda Flores
CALIFORNIA NATURAL RESOURCES
AGENCY



James C. Hanks
IMPERIAL IRRIGATION DISTRICT
AGENCY



Arthur Lopez
TORRES MARTINEZ DESERT
CAHULLA INDIANS



Luis Olmedo
COMITE CIVICO DEL VALLE, INC.



Frank Ruiz
AUDUBON CALIFORNIA'S SALTON
SEA PROGRAM



Manfred Scott
QUECHAN INDIAN TRIBE



Tom Soto
LATIMER PARTNERS, LLC



Jonathan Weisgall
BERKSHIRE HATHAWAY ENERGY



Alice Reynolds¹
CALIFORNIA PUBLIC UTILITIES
COMMISSION

¹ Martha Guzman Aceves, former California Public Utilities Commission (CPUC) commissioner, served as a Blue Ribbon Commission commissioner from January 2021 to December 2021. CPUC President Alice Reynolds was appointed by the CPUC in April 2022 to succeed commissioner Guzman Aceves on the Blue Ribbon Commission.



Public Process and Engagement

- 23+ public meetings, including community and Tribal tailored workshops
- Online docket ([20-LITHIUM-01](#)) and website
- Translation/Interpreting into Spanish and Purepecha
- Kick-off Community forum at multiple in-person sites



Overview of Report

- Executive Summary
- Introduction and Background
- Lithium Demand, Supply, Recovery and Processing
- Community and Tribal Priorities and Perspectives
- AB 1657 Topic Areas: Discussion of Findings
- Commission Recommendations



Source: Community and Tribal workshop in North Shore (October 19, 2022)



Summary of Public Written Comments

- **291** docketed written comments received from:
 - Residents and general public
 - Industry and business representatives
 - Community-based, environmental justice and non-profit organizations
 - Tribes and Tribal members
 - Labor unions and trades councils
 - Governmental entities
- **258** comments supporting lithium recovery from residents of Imperial, Riverside, San Diego, and other counties.



Community and Tribal Workshops on Draft Report

Key themes:

- Concern about unknowns
- Excitement for potential opportunities
- Public health and environmental impacts
- Prioritize frontline communities
- Invest in public health and mitigation
- Define Lithium Valley with a physical boundary





Examples of Adopted Recommendations



Establish Southeast California Economic Zone



Development of a circular lithium economy



Capacity building for Tribes and community members to engage with federal, state, and local permitting agencies



Establish a Lithium Valley priority permitting process



Accelerate state planning for investment and upgrades in transmission



Create curriculums, courses, and certification programs in science, technology, engineering, and mathematics (STEM)



Next Steps for Lithium Valley Commission

- On 1/20/23 Lithium Valley Commission, recommended dissolving Commission
- CEC staff will propose its own recommendation at subsequent business meeting



Final Remarks

- Silvia Paz, Chair of the Blue Ribbon Commission on Lithium Extraction in California
- Assemblymember Eduardo Garcia



Appendix





Adopted Recommendations

1	Establish a Lithium Valley priority permitting process that includes additional resources for agency action on applications for geothermal, DLE, and related manufacturing, production, or assembly projects identified by the state as essential to the development and growth of Lithium Valley.
2	Accelerate state planning for investment and upgrades in transmission for geothermal power plants in Imperial Valley to be online in 2024 and over the next decade.
3	Establish the Southeast California Economic Zone, which includes Imperial County and Eastern Coachella and Palo Verde Valleys. This regional economic zone should be recognized by federal, state, and local governments, and eligible to compete for funding and investments.
4	The State should increase funding – and identify alternative funding sources — for research and development, start-up companies, and expansion of lithium battery and battery component manufacturing and recycling, especially cathode production using lithium produced through environmentally preferable methods.
5	Federal, state, and local governments should foster collaboration across the supply chain of lithium related technologies by creating networks, meetings, and other forums that regularly bring business, research, Tribes, communities, and government agencies together to identify short- and long-term economic opportunities.
6	The State and County should establish a business service center in Imperial County to facilitate access to business development incentive programs to benefit residents of disadvantaged communities, Tribal members, small businesses, and entrepreneurs.



Adopted Recommendations

7	Support development of a circular lithium economy based in California, with environmentally responsible sourcing of raw materials, life cycle analysis, requirements for product design that support recovery, reus and recycling of materials, and development of effective recovery infrastructure, built with the assistance of public-private coalitions and effective community engagement.
8	The State should fund a health impact analysis (e.g., assessment or study) for Eastern Coachella Valley, to be carried out by an academic institution or public agency, relating to increased development in the Salton Sea KGRA of geothermal power plants and DLE facilities and related processing, production, and manufacturing activities.
9	Provide resources for local and state agencies and Tribes to proactively seek and leverage existing federal funding opportunities to invest in infrastructure in the Salton Sea region, including funding made available through the Infrastructure Investment and Jobs Act of 2021 (H.R. 3684) and the Inflation Reduction Act of 2022 (H.R. 5376).
10	Require and fund IID to conduct a water study of projected cumulative infrastructure development of geothermal power plants and DLE facilities and related water use, sources, local beneficial uses, and availability. The State or other entity should also evaluate water quality.
11	The State should fund (and identify additional funding sources), and the industry should inform, the creation of curriculums, courses, and certification programs in science, technology, engineering, and mathematics (STEM) at schools and colleges to advance critical knowledge and skills across all grade levels, with a focus on the infrastructure and communities closest to geothermal power plants and DLE facilities



Adopted Recommendations

12	Federal, state, and local government should invest in repairs, improvements to critical infrastructure and housing needed to support the success of lithium recovery, lithium processing, and lithium-dependent product manufacturing and recycling in the Salton Sea region, with a focus on the infrastructure and communities closest to geothermal power plants and DLE facilities. Investment decisions should consider community and Tribal priorities and include opportunities for participatory budgeting that includes public process and community and Tribal involvement.
13	Provide capacity building funds, such as grants, and other resources (e.g., childcare for parents to attend meetings) for Tribes and community members to engage with federal, state, and local permitting agencies.
14	Establish standards for state and local permitting agencies to provide communities and Tribes with plain language written communications about geothermal power plant and DLE facility applications, the permitting processes to review the applications, and post-approval monitoring and enforcement. Information provided should also include education about the materials and processes used in DLE and lithium processing facilities, the final and intermediate products created, and any waste streams that must be managed.
15	Develop best practice guidance for CEQA lead agencies when initiating communications and consultation with Tribes (e.g., making multiple attempts through different methods, such as mail, email, telephone); providing reasonable time for Tribal governments to evaluate written materials; and recognizing the specific cultural, historical, public health, and ecological context of the Salton Sea region.