

DOCKETED	
Docket Number:	24-OIIP-02
Project Title:	Informational Proceeding on Lithium Valley Vision
TN #:	255768
Document Title:	Status Update on Lithium Valley Commission Recommendations
Description:	N/A
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Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	4/17/2024 4:10:27 PM
Docketed Date:	4/17/2024

Status of Actions Taken by the State and County of Imperial to Address the 15 Recommendations Adopted by the Blue-Ribbon Commission on Lithium Extraction in California (Lithium Valley Commission)

Updated as of 4/17/2024

Recommendation 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.*

State Agencies Involved: CEC, DTSC, Go-BIZ

Summary of State Progress: The State has made progress on a number of permitting processes that can support the development and growth of Lithium Valley.

- The CEC's Opt-in Permitting program, established by AB 205, provides an accelerated permitting timeline of 270 days for clean energy projects, including geothermal, lithium recovery and battery manufacturing.
- DTSC is also working with the CEC to expedite final decisions for permit applications that include hazardous waste management operations.
- The CEC's Geothermal Grant and Loan Program's recent solicitation supports local and regional planning and policy development including compliance with laws and regulations.
- The State also offers support for other parties involved in permitting processes. GO-Biz offers permit and regulatory assistance including to lithium/battery manufacturing companies.

Summary of County Progress:

- The County is in the process of conducting a Specific Plan and programmatic Environmental Impact Report (EIR) for the Lithium Valley Area. This plan would mean that each project within the area covered by the programmatic EIR would not need to conduct an individual EIR as part of their permitting process.
- The programmatic EIR is evaluating potential impacts associated with CEQA. Within the Specific Plan, the County is developing a proposal land use plan that includes geothermal, Direct Lithium Extraction, green industrial, logistics, agriculture, transportation corridors, ancillary developments such as manufacturing, recycling, production, as well as other forms of renewable energy. The plan also accounts for conservation and further community development/services. The Specific Plan and programmatic EIR have been developed with continuous community and industry input.

Recommendation 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.

State Entities Involved: California ISO, I-Bank, CPUC

Summary of State Progress:

- The State has and will continue to support efforts led by IID to secure additional investment from DOE and the federal government for transmission for geothermal power plants.
- Although it is not a state entity, the California Independent System Operator (California ISO) is a key partner to state entities focused on energy policy and planning. California ISO's 2023-2024 Transmission Plan, released in the first week of April 2024, will enable over 21 GW of geothermal development, primarily in the Imperial Valley and in Southern Nevada. California ISO's 20-year plan identified a total of 2,332 MW of geothermal resources in 2030 and allocated most (2,012) to scale in and around the Salton Sea Region and Imperial Transmission zone.

Recommendation 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.

State Entities Involved: State Legislature

Summary of State Progress: AB 2757, introduced by Assemblymember Garcia this year directly addresses this recommendation.

- The bill would designate the Southeast California Economic Region (SCER) to, among other things, better align state and federal programs, services, and funding within those communities most impacted by the recovery and processing of lithium and other minerals from the Salton Sea and additional clean energy development in the surrounding areas within the region. The bill would authorize SCER to facilitate regional collaboration on developing a strategy-driven plan for regional economic development.

Recommendation 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.

State Entities Involved: CEC, Go-Biz, ETP, CALSTA, State Treasurer's Office, CalRecycle, California Jobs First Initiative

Summary of State Progress: There are several existing state funding programs that support this recommendation. The CEC is developing a public-facing dashboard to track state investments supporting this recommendation. The dashboard is anticipated to be shared with the public in May 2024.

- The State Treasurer’s Office has supported lithium developers and battery component manufacturers through programs administered by the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA). Specifically, three lithium developers in the Salton Sea region were awarded about \$50 million collectively in sales and use tax exclusions.
- The CEC has a number of programs relevant to the development of Lithium Valley. The following are three current examples:
 - The CEC supports lithium recovery through the Geothermal Grant and Loan Program which is currently accepting applications for the latest \$4.6m solicitation.
 - Through the EPIC program, CEC invests in emerging technologies and the scaling up of new technologies including a \$23m current solicitation to advance research and development of lithium recovery and geothermal power generation.
 - CALSTART, with support from New Energy Nexus, manages the PowerForward – Battery Manufacturing grant program, which is a \$35m grant program funded by the CEC to attract and retain zero-emission vehicle battery manufacturing in California, including the Salton Sea region.
- CalRecycle offers competitive funding for battery recycling manufacturers and is expanding their battery-specific recovery and recycling payments in the near future.
- The Employment Training Panel (ETP) reimburses employer-customized trainings that could be relevant for lithium industries and battery manufacturers and are currently supporting a number of participating employers in the Imperial County. ETP will announce new Multi-Employer Contracts for job training in the near future.
- The State also provides support other than direct funding programs.
 - GO-Biz provides ongoing, tailored, regional support through its field offices including boots-on-the-ground support through the Business Investment Services Office for companies in the Inland Empire and Southern Border regions.
 - The California Jobs First Initiative is a regional economic development initiative led by GO-Biz, the Labor & Workforce Development Agency, and the Office of Planning and Research which will support economic and workforce development plans and projects in each of the State’s 13 economic regions including San Diego-Imperial County.

Recommendation 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.*

State Entities Involved: CEC, GO-Biz, ETP

Summary of State Progress: The State has stepped up to help foster collaboration across the lithium supply chain to identify economic opportunities by utilizing its role as a convenor, thought partner and connector.

- Since 2020, the CEC has been coordinating visits for state and federal representatives to the Salton Sea region for purposes of better understanding the Lithium Valley Vision by getting to know the people and the place. Visits organized by the CEC include numerous visits by all 5 CEC commissioners, two multi-entity state delegations in 2022, a tour for representatives of the U.S. Department of Energy and Department of Defense in 2023, two multi-entity state delegations in 2023, and one multi-entity state delegation as of March 2024.
- In February 2024, the CEC initiated a formal informational proceeding to create a forum that regularly brings business, research, Tribes, communities, and government agencies together to have consistent communication and information-exchange that will include identifying short- and long-term economic opportunities for the Lithium Valley and CA's lithium economy.
- State entities have co-hosted multiple major events to draw attention to the potential of the Salton Sea region as a hub for critical minerals, lithium battery-based ecosystem, and clean energy industry.
 - In 2022 and 2024, the CEC and GO-Biz co-hosted Battery Day, convening government, business, non-profit and labor partners to focus on building out California's battery economy.
 - In 2023, GO-Biz and CEC partnered with ETP, Lawrence Berkeley National Lab and UC Riverside to co-host a California critical minerals convening ("Critical Minerals in CA: Building the Supply Chain for Tomorrow"), attracting research organizations, local government, defense, economic development practitioner organizations, businesses, infrastructure, academia, and state and federal agencies to bring attention to the potential and needs of the area.
 - In 2023, GO-Biz moderated a panel hosted by the California Council on Science and Technology (CCST) that focused on building a domestic lithium supply chain and included experts from UC Santa Cruz, UC Davis, San Diego State University, and Argonne National Laboratory. CCST provides analyses of scientific and technical matters for California policymakers.
 - In 2024, CEC and GO-Biz partnered with Imperial Valley College to host the Lithium Valley Symposium to bring together local governments, companies, non-profits, labor, and other entities to align and advance efforts supporting the Lithium Valley Vision.
 - ETP has sponsored events focused on lithium and critical minerals and participates through the Office of Planning and Research to support supply chain development

within Defense and National Security related industry sectors including Critical minerals.

Summary of County Progress:

- The Economic Development Administration awarded \$500,000 for a Lithium Valley Clean Tech Strategy Development Consortium to UC Riverside in partnership with Imperial County and San Diego State University to develop a regional coalition and strategic framework to further develop and implement direct lithium extraction from regional lithium brine deposits, contributing to a sustainable, inclusive, advanced-energy ecosystem in Southern California and securing the national lithium-based energy supply chain.
- As part of the Consortium, Imperial County will hire a Regional Innovation Officer to organize and coordinate technology, innovation, and renewable advancement in the region with industry partners.

Recommendation 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.*

State Entities Involved: GO-Biz, ETP, California Jobs First

Summary of State Progress:

- While a new business service center has not been established, GO-BIZ and ETP support local economic development efforts primarily through their support of the Imperial Valley Economic Development Corporation.
- California Jobs First will also advance regional economic development projects.

Summary of County Progress:

- The County's small business development center is a fantastic resource for small-business with tailored services for the Spanish-speaking community.
- The Lithium Valley Recompete Plan was selected as a finalist for the Economic Development Administration's Recompete Pilot Program. If selected, up to \$50 million will be invested into many developments and services including a labor hub, small business incubator, workforce development, education and training, fenceline community prioritization, supportive services, and community engagement.

Recommendation 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, reuse and recycling of materials, and development of*

effective recovery infrastructure, built with the assistance of public-private coalitions and effective community engagement.

State Entities Involved: CalRecycle, DTSC, CEC, GO-Biz, ETP

Summary of State Progress: From R&D to new standards around battery recycling and waste management, the State is actively supporting the development of a circular lithium economy.

- GO-BIZ and the CEC have provided funding to companies developing and commercializing new technologies that can lower the environmental footprint of lithium batteries. This includes technologies for reducing the water and wastewater requirements for lithium battery manufacturing; repurposing EV batteries for stationary storage systems; and improving the economics of lithium battery recycling.
- ETP supports workforce training in the recovery and recycling fields and their programs are open through consistent application.
- CalRecycle is developing extended producer responsibility legislation and regulation related to lithium battery recycling and waste recovery in coordination with DTSC.
- DTSC coordinates reviews of permit applications with the CEC to support lithium recycling, reuse, and recovery opportunities that arise, including the support for research and development permits for pilot projects to explore recycling technologies.

Summary of County Progress:

- Recycling and circular economy activities and firms would be included as part of the University of California Riverside Cleantech hub strategy the County is supporting.

Recommendation 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.*

State Entities Involved: None known to date.

Summary of State Progress: We are not aware of any health analysis or studies funded by the State that are focused on Eastern Coachella Valley or other areas of the Salton Sea region. Multiple academic institutions are engaged in various health studies focused on the Salton Sea region.

Summary of County Progress: While the County is not supporting a health impact analysis for Eastern Coachella Valley, SDSU Foundation and Dudek are working in coordination with Imperial County on Health Assessment's pertaining to Lithium Valley and the Specific Plan/Programmatic EIR.

Recommendation 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).

State Entities Involved: CNRA, CEC, SGC, Governor's Office

Summary of State Progress:

- The Salton Sea Management Program, as part of CNRA, received \$70 million in Inflation Reduction Act (IRA) funding for Salton Sea Restoration projects.
- The Governor's Senior Advisor on Social Innovation is partnering with SGC and CEC to attract philanthropic funding to support BOOST Imperial Valley, an initiative aiming to provide capacity building, technical assistance, leadership development, and a fellowship program to the County of Imperial and the 7 cities composing the Imperial Valley. This additional support for the local government entities would enable them to more effectively pursue major state and federal funding opportunities to invest in infrastructure in the Salton Sea region that they currently cannot access due to their severe limitations.
- The CEC is in the process of engaging with the Department of Defense's Office of Local Defense Community Cooperation (OLDCC) to determine if any of its infrastructure-focused grant programs can support the local residents of the Salton Sea region, including the military community. This effort will require coordination with local government, community-based organizations, industry representatives, and others.

Recommendation 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.

State Entities Involved: CEC

Summary of State Progress:

- The state has not identified a funding source that can be used to require and fund IID to conduct a water study that directly addresses the water-focused issues in Recommendation 10.
- There are existing state funding programs that could fund the study. These programs typically have competitive solicitation requirements that IID would have to apply for if they are an eligible applicant. For example, the CEC's active Geothermal Resources Development Act (Geothermal Grant and Loan program) solicitation could be leveraged to fund local government jurisdictions, tribes and developers to evaluate water quality and water-related impacts in geothermal power plants and DLE facilities.

Recommendation 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.*

State Entities Involved: Legislature, ETP, Governor's Office

Summary of State Progress:

- Through the 2022-23 State budget, the CA State legislature provided \$80 million in state funding for a STEM facility on SDSU Imperial Valley's Brawley campus. This location will be the site of industry-informed curriculum and courses preparing residents for the job opportunities of Lithium Valley.
- The Governor's Office is developing a Master Plan for Career Education that will provide support for regional solutions and actions on specific career education initiatives.
- ETP also funds training that supports entry points into manufacturing and technology careers including apprenticeship models and is planning on expanding these programs.
- The California Workforce and Development Board is supporting the Lithium Valley High Road Partnership (H RTP) through two distinct grantees that are working collaboratively towards the same goal of creating a high road workforce in Imperial County.

Summary of County Progress:

- The County is lead for the Valley Works initiative and has recently made an award for a contractor that will be conducting a workforce and economic development analysis for the region. The estimated completion date is around May 2025.
- The County also collaborated with Imperial Valley College (IVC) and industry partners to help create the Lithium Industry Force Training (LIFT) certification programs, which allow students to enroll in a one-year program at IVC to receive a certification to become a Plant Operator, Chemical Lab Technician, or Instrumentation Technician

Recommendation 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.*

State Entities Involved: Legislature, Lithium Valley State Workgroup convened by CEC

Summary of State Progress:

- New legislation has been introduced at the State Legislature that addresses some of the needs raised in recommendation 12. State Senator Padilla introduced SB 1309 this year which would require the CEC, in consultation with other appropriate state agencies, including the GO-Biz and CWDB, to establish a Lithium Battery Production Council to conduct an economic analysis on workforce development needs, infrastructure needs, housing needs, and sewage and wastewater treatment for lithium battery production. The bill would also require the council to develop a strategic plan to address the needs identified by the economic analysis and submit both the strategic plan and economic analysis to the legislature by 3/1/25.
- The CEC is convening the state entities currently involved with or interested in supporting Lithium Valley efforts as a workgroup that will explore ways to address needs of the Salton Sea region, including those raised in this recommendation and CA's lithium economy.

Summary of County Progress:

- The County has completed a baseline report assessing the infrastructure needs within the Lithium Valley planning area.
- The County has made significant investments in upgrading bridge infrastructure in the transportation systems with both federal and County funds.
- The County is also working to streamline the process to create additional affordable housing options, which includes working with the Imperial County Planning and Development Services department to develop floorplans and layouts that expedite the construction of affordable housing.

Recommendation 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.*

State Entities Involved: CA State Legislature, Governor's Office, SGC, CEC

Summary of State Progress:

- Through SB 125, which became effective in 2022, the CA State Legislature provided funding for local non-profits and CBOs to conduct outreach and engagement efforts related to Lithium Valley. The County of Imperial administers those funds and the contracts are set to conclude soon.
- The Governor's Senior Advisor on Social Innovation is partnering with SGC and CEC to attract philanthropic funding to support BOOST Imperial Valley, an initiative to provide capacity building, technical assistance, leadership development, and a fellowship program to the County of Imperial and the 7 cities composing the Imperial Valley. This additional support for the local

government entities would enable them to establish a governance structure to regularly convene and more intentionally and effectively engage in major initiatives organized by local, state and federal entities.

- The CEC will also engage the Governor's Office of Tribal Affairs.

Recommendation 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.*

State Entities Involved: CEC, Lithium Valley State Workgroup convened by CEC

Summary of State Progress:

- The CEC is convening the state entities currently involved with or interested in supporting Lithium Valley efforts as a temporary workgroup that will explore ways to address needs of the Salton Sea region, including those raised in this recommendation and CA's lithium economy. The CEC will also engage the Governor's Office of Tribal Affairs.
- The CEC created 2 distinct webpages on its website to provide more information in plain language about both the Lithium Valley Commission and the Lithium Valley Vision. The CEC also created info sheets about Lithium Valley written in plain language. Many of the materials provided by the CEC about Lithium Valley and the Lithium Valley Commission have also been translated into languages other than English spoken in the Salton Sea region: Spanish and Purepecha. The CEC is also planning on co-developing, in partnership with Tribes, a webpage focused specifically on best practices for tribal engagement.

Summary of County Progress:

- The County is undertaking significant work to develop educational materials and programming related to Lithium Valley. This includes a re-brand and re-development of the website as well as new marketing and engagement materials. They have also developed a trade show booth that will be used at events within the County and around the country to advance Lithium Valley.
- The County is developing educational campaigns for the community in both English and Spanish that make renewable energy and lithium more accessible and easier to understand.
- The County is developing K-12 renewable energy and lithium campaigns, which they expect to launch in Fall 2024.

Recommendation 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.*

State Entities Involved: Lithium Valley State Workgroup convened by CEC

Summary of State Progress:

- The CEC is convening the state entities currently involved with or interested in supporting Lithium Valley efforts as a temporary workgroup that will explore ways to address needs of the Salton Sea region and CA's lithium economy, including those raised in this recommendation. The CEC will also engage the Governor's Office of Tribal Affairs.
- The CEC will also engage the Governor's Office of Tribal Affairs for guidance on how to adequately address this recommendation.