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## IEP Comments on Lithium Valley Vision Workshop

Please accept these late comments. Thank you.

*Additional submitted attachment is included below.*

IEPA
Independent Energy Producers Association

March 17, 2025
California Energy Commission
Docket Unit MS-4
Docket No. 24-OIIP-02
715 P Street
Sacramento, CA 95814

**RE: Workshop on Lithium Valley Vision**

Dear Commissioner Noemi Gallardo:

The Independent Energy Producers Association (IEP) appreciates the opportunity to submit comments on the Lithium Valley Vision Workshop ("Workshop") held February 19, 2025. IEP represents the interest of developers and operators of independent energy facilities before the California Energy Commission (CEC) and other relevant agencies, advocating for fair market competition during the clean energy transition. IEP members collectively own and operate approximately one-third of California installed generating capacity, including in-state geothermal generation. This utility-scale generation consistently meets the needs of utilities, community choice aggregators (CCAs), and electric service providers (ESPs), looking to procure affordable, clean, diverse, and reliable power on behalf of their California ratepayers. However, the future of in-state geothermal utility-scale production is reliant on procurement.

Geothermal generation, specifically within the Salton Sea region, allows for the extraction of lithium as a function of brine production for geothermal power generation. "The efficient direct extraction of lithium from geothermal brines promises to make geothermal power generation economically favorable and secure lithium production in the United States to support a carbon-free economy," states the CEC "Pilot Scale Recovery of Lithium from Geothermal Brines" publication released in March 2024. Direct lithium extraction (DLE) from geothermal brine in the Salton Sea benefits from lower costs, less land use, and less water use than

hard rock mining or other extraction methods.[1] A report from the Lawrence Berkeley National Lab estimates 18 million metric tons of lithium can be extracted from the Lithium Valley, enough to support 375 million batteries for battery-electric vehicles—making California a leading producer of this critical resource in our transition to clean energy. Because of the Lithium Valley, California has the potential to be a global hub for lithium. As the world transitions to cleaner technologies that use lithium batteries, the most environmentally friendly lithium extraction process, one which occurs concurrently with geothermal power production, must be prioritized. Therefore, a thriving geothermal industry is necessary to realize all the benefits of DLE in the Salton Sea region.

As stated in the remarks from the Dais in the Workshop, there will be no Lithium Valley Vision without Lithium Valley jobs. Lithium Valley jobs referenced in the Workshop are those in the operating geothermal industry and in the future, once established, from the lithium extraction industry. However, geothermal procurement from in-state resources like those in the Salton Sea has been outpaced by procurement from out-of-state resources, following the 2021 California Public Utilities Commission (CPUC) procurement mandate to load-serving entities (LSEs) of 11.5 GW of net qualifying capacity from renewable and zero-emission resources by 2025. Further, to fill the gap between LSE procurement of long lead-time resources and the projected need of these resources in the Integrated Resource Plan (IRP), the CPUC authorized the Department of Water Resources (DWR) to fill that gap by procuring up to 10.6 GW of clean energy resources, including 1 GW geothermal, with solicitations starting in 2027.

[1] THE NATURE CONSERVANCY. "POTENTIAL LITHIUM EXTRACTION IN THE UNITED STATES: ENVIRONMENTAL, ECONOMIC, AND POLICY IMPLICATIONS," AUGUST 2022.

As evidenced by the suspension of permitting for proposed geothermal plants in the Salton Sea, where suspension was due in part to lack of offtake agreements (which then delays permitting), California needs a solution to timely geothermal procurement if it hopes to realize the benefits of DLE in Lithium Valley. There are two solutions IEP recommends to make the Lithium Valley Vision a reality: 1) reducing geothermal production adjacent fees to make geothermal production economically viable at a time when waste fees increase production cost upwards of 350%[2]; and, 2) work across agencies with the CPUC to move up DWR's solicitation process date for geothermal to 2026. These measures, together, will send the right market signals to developers and off takers that in-state resources create in-state jobs and secure California's economic and environmental future.

Signed,

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[2] AB 158 (2021): https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB158.