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CALIFORNIA ENERGY COMMISSION

In the matter of:

Notice of the Convening of)
The Lithium Valley)
Commission)
_____)

NOTICE OF THE CONVENING OF THE
LITHIUM VALLEY COMMISSION

REMOTE VIA ZOOM

THURSDAY, MAY 27, 2021

1:30 P.M.

Reported by:

Martha Nelson

APPEARANCES

COMMISSIONERS

Sylvia Paz, Chair

Rod Colwell

Roderic Dolega

Miranda Flores

James C. Hanks

Ryan E. Kelley

Luis Olmedo

Frank Ruiz

Thomas Soto

Jonathan Weisgall

CEC STAFF

Terra Weeks

Elisabeth de Jong

Deborah Dyer

PUBLIC COMMENT

Orlando Foote

Eric Reyes

Mariella Lora

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P R O C E E D I N G S

1:30 P.M.

THURSDAY, MAY 27, 2021

CHAIR PAZ: Hello, everyone, and welcome to the Lithium Valley Commission meeting. Before we get started, I hand it over to Elisabeth De Jong, the Energy Commission Project Manager for the Lithium Valley Commission, and she will provide some brief housekeeping.

MS. DE JONG: Thank you very much, Chair Paz. This meeting is being conducted entirely remotely via Zoom. This means that we are in separate locations and communicating only through electronic means. We are meeting in this fashion consistent with Executive Orders N-25-20 and N-29-20 and the recommendation from the California Department of Public Health to encourage physical distancing in order to slow the spread of COVID-19.

This meeting is being recorded as well as transcribed by a court reporter. The transcript will be posted to the electronic docket; the recording of the meeting will be available on the Lithium Valley Commission webpage.

Members of the public will be muted

1 during the presentations, but there will be an
2 opportunity for public comment on each agenda
3 item and an additional opportunity for public
4 comment towards the end of the agenda.

5 To provide public comment, please use the
6 Raise Hand feature in your Zoom application to be
7 called on to speak. When you speak, please
8 provide your name and affiliation. If you've
9 called in by phone, you will need to dial *9 to
10 raise your hand and then *6 to unmute yourself.
11 Before speaking, please say and spell your name
12 for the court reporter.

13 There is also a Q&A window in the Zoom
14 application which you may use to type your
15 questions. If you want to provide public
16 comments but are unable to raise your hand in the
17 Zoom application or by phone, then during the
18 public comment portion of the meeting you may
19 type your comment into the Q&A window so we can
20 relay your comments. We will go over these
21 instructions again during the time for public
22 comment. Please remember to stay muted until
23 you've been called on to speak.

24 We also have a chat function available
25 for IT support. We ask that the Lithium Valley

1 commissioners use the chat only for IT as well.
2 Any other comments are considered substantive to
3 the conversation and should be made publicly for
4 BK compliance.

5 I will go ahead and lead us through the
6 roll call before handing it back over to Chair
7 Paz.

8 Okay. So I will call your name. Please
9 respond if you are present and turn your camera
10 on if you can.

11 Rod Colwell.

12 COMMISSIONER COLWELL: Present.

13 MS. DE JONG: Roderic Dolega. Currently
14 unavailable.

15 COMMISSIONER DOLEGA: Present.

16 MS. DE JONG: Oh, present. Okay. Okay.

17 Miranda Flores.

18 COMMISSIONER FLORES: Present.

19 MS. DE JONG: Thank you. Commissioner
20 Martha Guzman Aceves is unavailable to join us
21 today.

22 Do we have James Hanks? Just checking to
23 see if he's in -- yeah, okay.

24 CHAIR PAZ: I think he's an attendee and
25 may need to be promoted to a panelist.

1 MS. DE JONG: Yeah, okay. So I just made
2 James a panelist and I'll come back to him and
3 just a moment.

4 Ryan Kelley?

5 COMMISSIONER KELLEY: Yeah, I'm here.

6 MS. DE JONG: Great. Jim Hanks, do we
7 have your audio? Not yet. Okay.

8 Arthur or Richie Lopez is unavailable to
9 join us today. Luis Olmedo.

10 COMMISSIONER OLMEDO: Present.

11 MS. DE JONG: Thank you. Silvia Paz.

12 CHAIR PAZ: Present.

13 MS. DE JONG: Thank you. Frank Ruiz.

14 COMMISSIONER RUIZ: I'm here.

15 MS. DE JONG: Thank you. Manfred Scott
16 is unavailable today.

17 Tom Soto. I believe Tom Soto may join
18 late.

19 And Jonathan Weisgall.

20 COMMISSIONER WEISGALL: Present.

21 MS. DE JONG: Great. Thank you. I
22 briefly saw James Hanks. Are you able to connect
23 to audio? Yeah, it looks like you're muted.

24 COMMISSIONER HANKS: Yeah, I am here.

25 MS. DE JONG: Great.

1 COMMISSIONER HANKS: Can you hear me?

2 MS. DE JONG: Yes, we can hear you.

3 Thank you.

4 Okay, so we have at least eight members.

5 We have a quorum. And also in attendance with us

6 today is Commissioner Douglas and advisors and

7 advisors to Chair Hochschild on the line.

8 So I will now hand the meeting back over

9 to Chair Paz.

10 CHAIR PAZ: Thank you, Elizabeth. So if

11 we can review the agenda, the Lithium Valley

12 Commission will consider and react on the

13 following items that you see on the screen today.

14 We have a couple of administrative items. Most

15 of our meeting today, however, will be to discuss

16 the different sections of the report and really

17 do a deep dive into each one of them.

18 Towards the end, we will continue to have

19 our media and legislative updates and there will

20 be opportunities for public comment throughout.

21 Thank you. Next slide.

22 So this is the approval of the minutes.

23 Is there any discussion, edits, or comments by

24 any of the members?

25 COMMISSIONER WEISGALL: Do you need a

1 motion for approval?

2 CHAIR PAZ: Yeah, I can take a motion.

3 And we'll do the vote after we hear public
4 comment.

5 COMMISSIONER WEISGALL: Okay. Well, if
6 you need, I will so move if this is the
7 appropriate time to approve the minutes.

8 CHAIR PAZ: Thank you, Jonathan. Is
9 there a second?

10 COMMISSIONER COLWELL: I'll second.

11 CHAIR PAZ: Thank you, Rod. So we'll go
12 to public comment.

13 MS. DE JONG: All right. So if you are
14 joining us on Zoom on your computer, please use
15 the Raise Hand feature. If you've called in,
16 please dial *9 to raise your hand and then *6 to
17 unmute your phone line. And first we'll go to
18 hands raised in the Zoom application and then the
19 phone.

20 I am not seeing any hands raised for this
21 item, so I'll turn it back to you, Chair Paz.

22 CHAIR PAZ: Thank you, Elizabeth. We had
23 a motion and a second. Can we please do a roll
24 call on this item?

25 MS. DE JONG: Yes, happily. When I call

1 your name, please let me know if you vote yes or
2 no to approving the April meeting action minutes.

3 Rod Colwell.

4 COMMISSIONER COLWELL: Yes.

5 MS. DE JONG: Roderic Dolega. I see you
6 have a hand raised. Just one second. I am
7 promoting Rod Dolega to the panelist. You should
8 be able to unmute yourself now and speak.

9 COMMISSIONER DOLEGA: Yeah. Thank you
10 very much.

11 MS. DE JONG: Thank you. And is that --
12 I'm sorry, your vote on this item?

13 COMMISSIONER DOLEGA: Yes, yes. Sorry.
14 Affirmative. Yes.

15 MS. DE JONG: Thank you. Miranda Flores.

16 COMMISSIONER FLORES: Yes.

17 MS. DE JONG: Thank you. James Hanks.

18 COMMISSIONER HANKS: Yes.

19 MS. DE JONG: Thank you. Ryan Kelley.

20 COMMISSIONER KELLEY: Yes.

21 MS. DE JONG: Okay, great. Thank you.
22 Luis Olmedo.

23 COMMISSIONER OLMEDO: Yes.

24 MS. DE JONG: Thank you. Silvia Paz.

25 CHAIR PAZ: Yes.

1 MS. DE JONG: Thank you. Frank Ruiz.

2 COMMISSIONER RUIZ: Yes.

3 MS. DE JONG: Thank you. And Jonathan
4 Weisgall.

5 COMMISSIONER WEISGALL: Yes.

6 MS. DE JONG: Great. The motion passes
7 and we'll move on to the next agenda item.

8 CHAIR PAZ: Before I pass this item in
9 conversation to Terra, who will be discussing a
10 document that was presented to all of us via
11 email on the rolls of the sub-bodies, I do want
12 to let you know that in between the meetings,
13 there was a lot of thought given to our
14 discussion in sub-bodies, and I hope that what
15 Terra will be presenting to you today will
16 reflect both the discussion and the interest that
17 the commissioners had expressed in the various
18 topics of the report.

19 But, Terra, I'll hand it over to you.

20 TERRA WEEKS: Great. Thanks, Chair Paz.
21 And hi, everyone. Once again, I am Terra Weeks.
22 I am a senior advisor to Chair Hochschild of
23 Energy Commission and I'll be serving as the
24 project manager for this report from our end.

25 So as Chair Paz was saying, we wanted to

1 just spend some time just clarifying the
2 respective roles of the Lithium Valley Commission
3 as a whole, the sub-bodies, and the role of the
4 Energy Commission in developing the report. So
5 we put together this short document. Hopefully
6 you've had a chance to review it, or you can take
7 some time after this meeting. But we'll just go
8 through the highlights now. And this can be
9 thought of as kind of a living document. So if
10 there are changes that need to be made, we can
11 absolutely do so. It's not going to be approved,
12 so you don't have to think of it as a formal
13 document. So next slide, please.

14 So just to level set on kind of how we're
15 thinking about this report, we propose that the
16 report will be a concise document summarizing
17 findings of review, discussion, and analysis
18 provided by the Lithium Valley Commission with
19 support from the CEC. And the primary goal of
20 the report is to provide specific policy
21 recommendations to the legislature along with
22 adequate context and considerations to ensure
23 that the Lithium Valley effort proceeds
24 efficiently, equitably, and in an
25 environmentally-conscious manner. Next slide,

1 please.

2 So after last month's discussion on the
3 sub-bodies, we've kind of recalibrated the role
4 of the sub-bodies a bit to just ensure that all
5 commissioners have an opportunity to discuss and
6 provide input on all topics and recommendations
7 in the report. And I'll talk a little bit more
8 about the sub-bodies on the next slide. But our
9 recommendations generally for commissioners in
10 terms of engagement on the report are to
11 participate in any public and community
12 engagement meetings in addition to these monthly
13 meetings; to research and identify relevant
14 resources, documents, and workshop participants
15 that will be used to inform the report; develop,
16 discuss, and finalize policy recommendations,
17 review and edit report drafts; and then
18 coordinate with the Energy Commission Media
19 Office to respond to public and media inquiries.
20 So we are really here to support you on the media
21 front as well. And then of course to review and
22 approve the final version of the report before
23 it's submitted to the legislature. Next slide,
24 please.

25 So now I'm getting back to the sub-

1 bodies. Again, after the discussion last month,
2 it seemed like there was a lot of interest in
3 quite a few of the topics, and we really don't
4 want to limit participation from any
5 commissioners on any topics that you're
6 interested in. So we are reformulating the role
7 of the sub-bodies to more of a liaison-type role
8 where we'll have two people on each sub-body, but
9 they will act more as facilitators and liaisons
10 between the whole Lithium Valley Commission and
11 the Energy Commission staff on specific topic
12 areas. So, again, all commissioners will have an
13 opportunity to weigh in on all topics of the
14 report.

15 And then specifically we recommend that
16 the sub-bodies work with all commissioners to
17 develop a library of key resources related to the
18 specified topic, and CEC staff will help assemble
19 that library as well.

20 And then for workshops on that designated
21 topic area, we hope that the sub-bodies will work
22 with fellow commissioners to identify workshop
23 speakers, develop workshop agendas, and then
24 facilitate the workshops. So this includes
25 making introductory remarks, moderating

1 discussions, and proposing discussion questions
2 as needed. And then following the workshops,
3 work with our staff to summarize findings and
4 outline the key points for the report just to
5 make sure we're kind of capturing the same things
6 that you were. And then we would also like the
7 sub-bodies to review and edit the relevant
8 sections of the report prior to going to the full
9 commission for review. Next slide, please.

10 And then finally I want to clarify the
11 CEC's role in report development, which consists
12 of researching and synthesizing information
13 provided to develop the report as well as report
14 writing and technical editing. This piece is
15 really kind of key to what we're trying to get
16 at.

17 So policy analysis and recommendations
18 will be developed by the Lithium Valley
19 Commission. And CEC staff will write the report
20 sections for your review, editing, and approval
21 based on your direction. So we really aim to
22 capture your perspectives but don't want to
23 impose our own views into the report. So, you
24 know, we'll kind of help with the work, you know,
25 the actual writing of the report, but we really

1 want it to be directed by you all.

2 So we'll also work with the sub-bodies to
3 ensure that the commission, stakeholder, and
4 public perspectives are adequately considered and
5 reflected. Chair Hochschild and Commissioner
6 Douglas and/or CEC staff may also participate in
7 discussions and workshops as appropriate. And
8 then our staff can also contribute subject matter
9 expertise to help inform the report. And so this
10 includes areas like EV and battery manufacturing,
11 supply chains, electric grid planning, and
12 environmental impacts.

13 So from here, I'll pass things back to
14 Chair Paz to talk about the sub-body assignments.

15 CHAIR PAZ: Thank you. So, again, as
16 Terra mentioned, we have shifted from the more
17 formal structure that we were considering in the
18 beginning and we are seeing now the sub-bodies
19 really as leads that will engage the entire
20 commission. And I just want to clarify that, you
21 know, that means that we are not necessarily --
22 sub-bodies will not necessarily be meeting
23 separate from the Lithium Valley Commission when
24 we're discussing the areas of the report, but
25 they will be serving as key contacts with CEC to

1 help us develop agenda and workshops, things of
2 that nature.

3 So for that reason, it felt a lot more
4 comfortable in limiting the sub-bodies to two key
5 leads, and they are listed on the agenda. And I
6 hope that everyone sees themselves reflected in
7 at least one of the key areas where they
8 expressed interest.

9 So on Furthering Geothermal Development,
10 we have Luis Olmedo and Ryan Kelley. Under Market
11 Opportunities for Lithium, Roderic Dolega and
12 Arthur Lopez. Under Benefits of and to
13 Geothermal Plants, Manfred Scott and James Hanks.
14 Overcoming Challenges to Lithium Extraction,
15 James Hanks and Frank Ruiz. Lithium Extraction
16 Methods, Jonathan Weisgall and Rod Colwell.
17 Economic and Environmental Impacts, Luis Olmedo
18 and Miranda Flores. Importance of Incentives,
19 Jonathan Weisgall and Martha Guzman Aceves.
20 Under Workforce Development, Silvia Paz. And
21 under Legislative and Regulatory Recommendations,
22 Rod Colwell and Tom Soto.

23 So if there are no objections -- again,
24 this is not a voting area, it's just a way to
25 identify the leads and give us some key points of

1 who to contact as we address each of the topics.

2 Jonathan, I see you have your hand up.

3 COMMISSIONER WEISGALL: Yeah, just a
4 minor point. When I was testifying yesterday
5 before the Select Committee, I kind of stressed
6 how we at least talk about lithium recovery, not
7 lithium extraction, because we are not mining it.
8 This is really a different process from mining.
9 And I think extraction sends the wrong message.
10 If no one objects, I'd like to talk about -- I'd
11 like to change that sub-body for Rod and myself
12 to Lithium Recovery Methods instead of Lithium
13 Extraction.

14 CHAIR PAZ: Luis Olmedo?

15 COMMISSIONER OLMEDO: I have much respect
16 to the experience of the experts, the operators
17 of the geothermal industry. There's a lot of
18 questions that remain unanswered, not because the
19 information isn't available. I assume that it's
20 available. I just wonder if it's premature to be
21 making those types of definitions given that
22 there is still a lot of information, still a lot
23 of experts that I assume will be presenting to
24 this commission as well as members of the public.
25 Ultimately, I feel that it is the regulatory

1 bodies that have to determine what exactly is the
2 characteristics and the nature of the operations
3 and for us to make the recommendations as a
4 commission with information. I think right now
5 just beginning to put these committees together,
6 we haven't had an opportunity to take a deep dive
7 on the information that is out there available,
8 or perhaps that is not available and requires
9 more research or more information. So for a
10 matter of clarity, I would not support that
11 request at this time.

12 CHAIR PAZ: Is there any other comments?
13 Thank you, Luis.

14 COMMISSIONER COLWELL: Silvia, it's Rod.
15 But if you wanted a hand with the Workforce
16 Development part, we are actually engaged in
17 that. So I'm happy to assist you if you wish.

18 CHAIR PAZ: Yeah. Thank you for that.
19 We'll latch you to Workforce Development, Rod.

20 In terms -- I see Jonathan Weisgall --

21 COMMISSIONER WEISGALL: With all due
22 respect to Luis, I don't need a regulator to tell
23 me whether I'm extracting lithium or recovering
24 lithium. We know what we're doing.

25 In western Australia, lithium is mined.

1 It's extracted. It's extracted from under the
2 earth in these evaporation ponds in South
3 America. We are running our geothermal brine and
4 we are recovering that brine. So whatever. This
5 is not a big deal. I think that's kind of a
6 rather strange objection, but if that's the way -
7 - you know, I really don't know what to say.
8 There's plenty of information. We know exactly
9 how we're doing this. So it's rather odd to hear
10 that kind of objection. That's all I can say.

11 CHAIR PAZ: Thank you, Jonathan. And I
12 do believe -- I mean, we can explore and go into
13 further the sub-bodies. And then once we get
14 further, we can reassess how the report is going
15 to be reflecting each of these areas or names.
16 But I do believe that the language that we have
17 in front of us was pulled as closely as we could
18 to the language that was on the bill. So that's
19 why you see the language here.

20 Again, I don't know that we're going to
21 have to stick to that or not, but that's
22 something that we can definitely continue to look
23 at. And for now focused on developing each of
24 the content area and the analysis that we want to
25 see under each one.

1 DEBORAH DYER: This is Deborah Dyer. And
2 I just wanted to point out that what the sub-
3 bodies are named does not in any way predetermine
4 the direction of the report or the findings or
5 recommendations of the report. So that would not
6 constrain the sub-body or the Commission in their
7 direction.

8 MS. DE JONG: I see Luis Olmedo has
9 raised his hand. Luis?

10 COMMISSIONER OLMEDO: Just in response to
11 Commissioner Weisgall, I don't want this to be
12 interpreted as an opposition, but as a request
13 for more information before making substantive
14 decisions where the Commission would have at
15 least an opportunity to take a deep dive in the
16 different subject areas that have been assigned.
17 That's all. It should not be interpreted as an
18 opposition in principle, but in request for more
19 information.

20 CHAIR PAZ: Thank you, Luis. So if
21 everyone is okay -- again, as Deborah clarified,
22 what we have right now in terms of the names of
23 the sub-bodies does not predetermine where the
24 report is going to end, that this is preliminary,
25 and again, the names -- the language right now is

1 just very tied to what we have on the bill. And
2 so if there's no objection, we will move forward
3 to the next item. No, actually, it's public
4 comment after, right?

5 MS. DE JONG: Yes. Thank you, Chair Paz.
6 I actually want to jump in just before we get to
7 public comment. I did hear Ryan Kelley's voice
8 earlier, but possibly signed in under a different
9 name. So, Ryan Kelley, if you can hear me, if
10 you wouldn't mind raise your hand or speak and I
11 will try to identify you in this list and rename
12 you. I guess it is also possible that we lost
13 him. Okay. So for now, we'll take it that Ryan
14 Kelley is not available. We'll go ahead and turn
15 to public comment.

16 If you're joining by Zoom on the
17 computer, please use the Raise Hand feature. And
18 if you've called, please dial *9 to raise your
19 hand and *6 to unmute your phone line. First
20 we'll go through the hands raised in the Zoom
21 applications and then the phones. I do see we
22 have some written comments as well. If you don't
23 want to make that comment verbally, then we can
24 read out your comment. So please go ahead and
25 raise your hand.

1 Okay, I am not seeing hands raised.

2 Okay, I see one of the comments. Okay, Orlando
3 Foote, I have allowed you to talk. You should be
4 able to unmute yourself.

5 ORLANDO FOOTE: Can you hear me?

6 MS. DE JONG: Yes, we can.

7 ORLANDO FOOTE: Good. A comment with
8 regard to Mr. Olmedo's comment and in support of
9 Jonathan Weisgall. I believe that whatever can
10 be done to encourage the deliberate speed of this
11 process is critical. There are so many moving
12 parts, some of them here locally. I happen to be
13 an attorney here in Imperial County. I've
14 practiced here in the geothermal area and any
15 number of areas for close to 40 years, and I'm
16 very anxious for this community to move forward
17 and recognize the significance and consequences
18 of lithium development and taking advantage of
19 the enormous significance of it here in Imperial
20 County. So I would just endorse the minimization
21 of whatever it takes to speed this process
22 forward, to speed the activities of the
23 Commission forward and to do whatever is possible
24 to move to a full process of taking advantage of
25 the resource.

1 MS. DE JONG: Thank you, Orlando.

2 Eric Reyes, you should be able to unmute
3 yourself.

4 ERIC REYES: I just want to support Luis
5 Olmedo and his position that it's way too early
6 for, say, not just you as committee members, but
7 us as community members to change -- you might
8 call it semantics. It's semantic manipulation we
9 feel. There's still a lot of ins and outs. And
10 I'm sure you will disagree with us because you
11 are experts in your field. But on our end,
12 there's so much still to learn. And how we're
13 going to be able to make this work in a
14 functional manner that doesn't impact the
15 community more, we're not too willing to allow
16 that manipulation at this time. So I hope you
17 stay with extraction as we learn more. Thank
18 you.

19 MS. DE JONG: Thank you. We have another
20 hand raised. Mariella Lora.

21 MARIELLA LORA: Hi. I also just want to
22 express my support for Luis Olmedo and thank him
23 for raising those points. Thank you.

24 MS. DE JONG: Thank you. Okay. And I'll
25 go ahead and read -- we did have one question

1 submitted via -- sorry, that comment from Michael
2 Marsden says, "I would like to attend the
3 Legislative Regulatory Recommendations sub-body
4 meetings and offer my participation." Pacific
5 Charter, Michael Marsden, and the email address.
6 "Can I attend the sub-body meetings and how can I
7 learn about the meetings scheduled?"

8 CHAIR PAZ: Should I provide an answer to
9 that?

10 MS. DE JONG: Sure, if you would like to.
11 Yes.

12 CHAIR PAZ: So as mentioned earlier, the
13 sub-bodies will not be meeting independently to
14 discuss the areas of the work. Those will be
15 held during our regular Lithium Valley Commission
16 meetings. What they will be doing between
17 meetings is help plan for the content and things
18 like that. So the best way to join the
19 discussions is through joining the Lithium Valley
20 Commission monthly meetings. And in the case
21 where we add meetings for community engagement
22 and such, those will also be properly notified.

23 MS. DE JONG: All right. Thank you so
24 much. I don't see any further comments at this
25 time. So, Chair Paz, I'll turn it back to you.

1 CHAIR PAZ: Thank you. So, again, I will
2 be turning it over to Terra soon. But as we go
3 into the discussion of the legislative report, I
4 also want to encourage everyone, now that we know
5 who the lead person is going to be, to really
6 start taking ownership of that sub-topic, what
7 you want to see, if there's anywhere you're
8 familiar, and engaging your other colleagues in
9 those discussions, obviously keeping in mind the
10 presentation that was given to us with regards to
11 Bagley-Keen. But other than that, just put that
12 hat on. And, yeah, I think this report is going
13 to be -- and the activities of the committee are
14 going to be shaped to the extent that we can all
15 be proactive in the different areas of expertise
16 that we have.

17 Terra, I will hand it over to you.

18 TERRA WEEKS: Great. Thanks. So now we
19 really wanted to spend kind of the bulk of this
20 meeting diving into what you actually want the
21 report to say. And so kind of building on the
22 presentation, the basically barebones outline
23 that we reviewed at the last meeting, starting to
24 dive into it and flesh it out. Next slide,
25 please. Thanks.

1 This is essentially the outline that I
2 presented at the last meeting. Really just kind
3 of statutory requirements, not much else. So
4 essentially kind of thinking about it in three
5 chapters. The first one is background, and then
6 going into the areas of analysis that are
7 required by the statute. So these align pretty
8 closely with the sub-bodies. We are adding the
9 workforce development topic. So we can kind of
10 think through if we want that as a subsection or
11 if we want to add, you know, another specific
12 section on that. And then the third chapter is
13 the legislative recommendations and regulatory
14 changes.

15 So essentially what I'd like to do at
16 this meeting is kind of go through each of these
17 topics one by one and basically have kind of a
18 brainstorm. This isn't going to be the only
19 conversation we're going to have on this, but I
20 think it will help us to go through and start
21 refining the outline for your review ahead of the
22 next meeting. So we really just kind of want to
23 get information on how closely you are engaged in
24 these topics, what resources you are aware of,
25 how we start kind of formulating this report.

1 Next slide, please. Okay.

2 These are some questions that we'd like
3 you to consider as we move through these topics.
4 Are there additional topics that you would like
5 included in the report? What sub-topics should
6 be included in each section? What analyses
7 already exist in these areas? Is there
8 quantitative analysis that needs to be completed,
9 and if so, what resources, expertise, and/or data
10 would be required? And we may be able to support
11 some of this within the Energy Commission. We've
12 also talked about potentially having the
13 resources to bring on a consultant if there is a
14 specific quantitative analysis that's required.
15 And then are you aware of relevant literature or
16 resources that can support report development in
17 these areas, and what work have you engaged on
18 and what other relevant efforts are you aware of
19 for each of these topic areas? Next slide
20 please.

21 So actually if you could go back one
22 slide. I just want to pause here and see if
23 Chair Paz or Vice Chair Kelley have anything that
24 you wanted to add.

25 CHAIR PAZ: I think I added my piece.

1 Ryan Kelley, do you have anything you would like
2 to add here?

3 MS. DE JONG: I don't believe Ryan Kelley
4 is connected right now into the meeting. We did
5 hear him earlier. But if he is on, please speak.

6 CHAIR PAZ: Okay. I can bottom line
7 again that we're going to be depending on
8 everybody's involvement in developing the report.
9 And to the extent that you have the expertise or
10 have been talking to other people to bring that
11 to bear and let us know and be active throughout
12 the report. And some of these questions today
13 will help us to start with the brainstorm, but
14 really should lead into a more active-oriented
15 conversation for the meetings after today where
16 we can start workshopping all of the topics and
17 compiling the research and information that's
18 going to help us answering the questions that we
19 are tasked with.

20 Back to you, Terra.

21 TERRA WEEKS: Great. I think
22 Commissioner Olmedo had his hand up. If you want
23 to jump in.

24 COMMISSIONER OLMEDO: No, I was just
25 going to -- I think Mr. Kelley may have left and

1 will be back. But I don't think he's on the call
2 at this moment.

3 TERRA WEEKS: Okay, thanks. Okay, so
4 moving on. Next slide, please.

5 So now we'll just jump into the
6 individual sections. And we have about ten
7 minutes allocated per slide. And so again, this
8 is just going through each topic area one by one.
9 Some will probably take longer than others, but
10 just want to give everyone a chance to just kind
11 of provide some additional thoughts and guidance.

12 So Chapter 1 is on the background. The
13 first two sections should be really
14 straightforward. So first is just an overview of
15 the bill and what it requires. Then we'll have
16 an overview of the Lithium Valley Commission,
17 including a summary of the public meetings and
18 the public engagement process. So I think the
19 first two bullets should be really just kind of
20 factual summaries, basically.

21 And then the third bullet is a high-level
22 discussion of your vision for Lithium Valley.
23 And so we did have kind of a brief discussion on
24 this at the February monthly meeting. So some of
25 the key points that were brought up in that

1 discussion were around creating a lithium or
2 battery hub and supply chain in California,
3 creating benefits that reach the local community
4 with a focus on workforce development and high
5 road job creation, tying into support of local
6 environmental mitigation efforts, focusing on
7 developing a clear regulatory and legislative
8 framework that spurs investment in the region,
9 acknowledging local challenges and community
10 history with previous industries. And then there
11 was also a discussion around possibly setting
12 some goals for the effort, like a five or ten-
13 year lithium production goal.

14 So I wanted to just kind of open that
15 discussion back up, see if folks have other items
16 they would like to bring up. And maybe
17 especially hear from the commissioners who didn't
18 have a chance to chime in to that discussion in
19 February. So I'll just kind of open it up from
20 here.

21 So, again, this is just kind of hearing
22 your overall vision for this effort. Just
23 getting ideas of -- it could be specifically what
24 you want to accomplish with this report and this
25 commission or kind of how you see Lithium Valley

1 fitting into California's overall goals.
2 Benefits, just kind of high-level vision what you
3 would like to see out of this overall effort.

4 CHAIR PAZ: Terra, well -- okay, go
5 ahead. Luis, was that you?

6 COMMISSIONER COLWELL: Sorry, it's Rod
7 here. I guess I can kick some conversation off
8 if it's appropriate in regard to vision. The big
9 picture I think really five years in goal-setting
10 and working backwards. The way as active
11 developers and our view, I guess, we're starting
12 to see beyond just engagement for lithium supply
13 at the moment, which includes power supply for
14 additional geothermal energy. But there's active
15 discussion going on right now about cathode and
16 battery colocation. And I think the concept of
17 when we first started this discussion was more or
18 less a concept. We sort of got the -- you know,
19 we could get the concept of the leading supply
20 chain where this particular lithium doesn't need
21 to go offshore to Asia or China for post-
22 processing and be shipped back again. So I think
23 there has been a move for that.

24 So the vision now is actually becoming
25 sort of somewhere between a reality. And what it

1 means is the environmental benefits of Lithium
2 production I think were mentioned before. Hard
3 rock, the Searles style of mining to say
4 geothermal brines which is, you know, there's no
5 byproducts, it's clean. And I think the supply
6 chain is starting to sort of see that. So we are
7 starting to really see this vision accelerate.
8 So that's goal-setting and working backwards, I
9 think thinking about this as more of a master
10 plan.

11 Now, on community engagement, I know from
12 our point of view, CTR's point of view, jobs is
13 first and foremost. So the community engagement
14 with the university and colleges on jobs. And
15 again, Silvia, looking forward to working with
16 you particularly on that matter. So it's really
17 sort of how to streamline the -- we're starting
18 to picture the ecosystem, if you like, and how we
19 fast-track and take advantage of this opportunity
20 at the moment.

21 CHAIR PAZ: Thank you. Luis?

22 COMMISSIONER OLMEDO: I would support the
23 suggested subtopics. One of the things that --
24 and excuse my ignorance, but do we have a
25 translation into Spanish, which is the

1 predominant second language in the region? I was
2 hoping to get an answer before I complete my
3 comment.

4 CHAIR PAZ: are you asking whether the
5 report will be translated into Spanish?

6 COMMISSIONER OLMEDO: Right. Do we have
7 translation for the Lithium Commission?

8 CHAIR PAZ: Currently there is no one
9 translating the Lithium Commission meetings.
10 That doesn't mean that it's not going to happen.
11 But when we have our communication meetings and
12 outreach, that's something that we have
13 discussed. And especially via Zoom, it's not
14 very complex to include a translator as we move
15 forward for those engagement meetings.

16 COMMISSIONER OLMEDO: Okay. For
17 starters, that's what I would recommend, that the
18 Commission budget for a translator through the
19 entire process. It's really not up to us to
20 decide what access we give, when, and how. It's
21 access altogether, completely. Right? That's
22 equity. And we need to be able to remove these
23 barriers. And community engagement is a long
24 process. It's not just those who are working in
25 the community, it's the community itself that has

1 barriers or reasons as to why it's difficult for
2 them to participate and engage. So let's begin
3 by bringing in translation and then building an
4 informed plan with the public involved.

5 I completely support the idea and the
6 dream of bringing the lithium technology and the
7 entire supply chain locally. I think often the
8 fact that a community may want to negotiate
9 better conditions or the fact that we have had
10 other iterations of renewable energies that
11 haven't really quite delivered on the long-term
12 jobs, the long-term community benefits, or
13 perhaps there were fractures in that system where
14 those resources didn't quite reach the most
15 economically-depressed areas or help put a dent
16 on our local jobs long-term. That should never
17 be interpreted as, oh, you're either for or
18 against, which is something that I've heard for
19 far too many years. Geothermal has been here for
20 many years. We have a long history of their
21 operation here locally.

22 And so I am very much in support of what
23 the future could be like here with lithium and
24 geothermal. But, again, let's bring as many
25 subtopics as necessary to get the whole picture.

1 And I truly believe, and I've said this publicly
2 before, I think that sometimes looking into --
3 trying to exempt or bypass or fast-track, a lot
4 of times it turns really good intentions, really
5 good ideas into incomplete vision.

6 So, anyways, but I support the suggested
7 subtopics that are currently being presented
8 here.

9 CHAIR PAZ: Thank you. Are there any
10 other comments?

11 I have a few suggestions under the
12 Community Engagement Process. And I think it
13 would be worthwhile at the beginning or as
14 background for us to have a section that's going
15 to describe the outreach strategy and the
16 implementation more in-depth that we should be
17 considering or addressing how the socioeconomic
18 conditions of the region led to key components of
19 the strategy. So, again, as we're exploring each
20 of these topics, keeping community engagement as
21 a (indiscernible) and being intentional about how
22 the local context, the conditions in the region
23 are helping us as a commission develop the
24 strategies and recommendations, how is it that
25 we're being responsive to each one of them. And

1 I think highlighting those things and putting
2 them at the forefront will be helpful.

3 I think also we should be able to capture
4 information on how many people were able to
5 participate in the identification of issues and
6 the development of recommendations and the
7 selection of priorities or key recommendations
8 and if possible include where those meetings took
9 place and how they were organized. I think every
10 subtopic of the report might differ slightly on
11 the approach. But again, I think everyone who is
12 helping lead a subtopic should help us think
13 about a community engagement process and how
14 we're going to be bringing in not just for input,
15 but really having these conversations with
16 various stakeholders to help us shape the content
17 of the report. Thank you.

18 MS. DE JONG: Elisabeth here. I just
19 wanted to jump in because Commissioner Olmedo did
20 request a response to his comments on providing
21 translation.

22 On the CEC side of things, we are going
23 to be working with the public advisor at the
24 California Energy Commission and talking with
25 them about those opportunities of integrating

1 translations and implementation moving forward.

2 CHAIR PAZ: Thank you, Elisabeth.

3 MS. DE JONG: And (indiscernible)

4 Commissioner Colwell.

5 COMMISSIONER COLWELL: Yes. So if it's
6 helpful to the Commission, we are happy to put
7 together a short presentation to visualize. It
8 may be helpful. A presentation that would
9 encapsulate the big picture or ten-year vision of
10 Lithium Valley, the big picture of clean jobs,
11 colocation, environmental, social, and economic
12 benefits. Part two could be development timeline
13 for a successful Lithium Valley. And what that
14 means is where the market is and sort of
15 encapsulating what the opportunity is,
16 visualizing the clean energy and auto hub
17 opportunity as part of that. So we're sort of
18 segregating. So it's visual to that, which is
19 colocation opportunities I mentioned before and
20 what is to attract cathode battery and auto
21 manufacturers to the state. That touches on
22 things like tax breaks and things -- you know,
23 jobs, et cetera.

24 Then of course the final part would be a
25 train and maintain type of visualization. Long-

1 term clean jobs. Training, education for local
2 community, which of course includes -- you know,
3 the community engagement includes all four of
4 these parts. So if it's helpful, Chair Paz, we
5 are very happy to shoot you some visuals of how
6 we see it at 60,000 feet and then go from there.

7 CHAIR PAZ: Yes. Everything that you
8 have in resources will be helpful in helping us
9 determine and explore the different subtopics.
10 So that would be appreciated. Thank you.

11 Terra? I see Jonathan.

12 COMMISSIONER WEISGALL: In response to
13 Commissioner Olmedo, we have already prepared a
14 one-page, just the facts one-pager on lithium
15 production and BHE renewables in Spanish. We
16 would be delighted to provide that to the
17 Commission for distribution to the commissioners.

18 CHAIR PAZ: Thank you.

19 COMMISSIONER WEISGALL: We recognize the
20 importance of translation into Spanish of much of
21 what we do.

22 TERRA WEEKS: That would be great. And
23 we can docket that as well.

24 COMMISSIONER WEISGALL: I'll shoot that
25 to Elisabeth and Terra.

1 TERRA WEEKS: Thank you.

2 CHAIR PAZ: Thank you. I think it would
3 also be helpful, and maybe it goes to Rod's offer
4 around the big, high-level picture. But
5 understanding what the different phases and
6 stages of lithium development are. Because I
7 think understanding from the pilot, which is
8 where some of the project started, and from pilot
9 to actually getting into market, can we identify
10 different phases and then approximately stages,
11 like how long does it take. It would help us
12 also identify -- and I remember Commissioner
13 Guzman was talking about setting goals. Well,
14 then having the phases and the stages would help
15 us set goals for each one and be a lot more clear
16 if we're thinking about creating this roadmap.

17 So I don't know, Rod, if that's something
18 that you or maybe Jonathan could help with.

19 COMMISSIONER COLWELL: Yes, ma'am. We
20 will include a program and break that out into
21 milestones. I can liaise with Jonathan and his
22 team and we'll put something together. If you're
23 happy with that, Jonathan.

24 COMMISSIONER WEISGALL: Delighted to
25 help. Give me a better sense of what you're

1 looking for, if you would, Chair.

2 CHAIR PAZ: Yes. So for me, I'm thinking
3 for example very specific to the workforce sub-
4 body. As I'm thinking about what type of
5 workforce might be needed, it would be helpful
6 for me to understand the different stages. Like
7 how do we get from the development of the lithium
8 from the geothermal to all the way to when we can
9 market it, all the way to -- you know. So what
10 does that chain look like.

11 COMMISSIONER WEISGALL: Got it. And as
12 far as workforce, as I think I may have mentioned
13 at a previous meeting but also in testimony
14 yesterday mentioned that we are already working
15 with Imperial County College on curriculum
16 development, but it does need work. And I want
17 to follow up with Gloria Garcia as well because
18 it's not too soon to think about all of that.
19 So, yeah, I would be delighted to work on that.
20 Can certainly do it with Rod. And this is an
21 example of where I would love to bring in the
22 academic folks. And I think Lithium Valley --
23 excuse me, Imperial County College would be a
24 terrific partner in that regard.

25 CHAIR PAZ: Thank you.

1 COMMISSIONER WEISGALL: Yes.

2 CHAIR PAZ: Luis?

3 COMMISSIONER OLMEDO: I just want to take
4 the opportunity just to acknowledge both
5 Commissioner Weisgall and Commissioner Colwell,
6 their offer to bring in information and resources
7 and help bridge that gap of knowledge an
8 information for the community.

9 I am a firm believer that historically
10 the industry has had a limited pool of players in
11 negotiating business locally. And I think this
12 is a historical opportunity where we can broaden
13 who those involved are. And I think if we bring
14 in the community, we can truly be successful.

15 I know that every comment I make isn't
16 going to be -- and I apologize, my kid is
17 watching cartoons here. So it's bring my kid to
18 work today.

19 I do believe that historically that has
20 occurred. So I hope that whatever ideas or
21 recommendations I bring, again, are not
22 interpreted as against lithium. I've lived in
23 this valley the majority of my life. I want to
24 see this dream come true as much as anybody else.

25 And with that said, I recognize that the

1 industry has had, at least from an environmental
2 justice standpoint, we have had considerable
3 concerns of what we call the waste stream, or it
4 might be called byproduct for the purposes of
5 conversation. It would be great to also get
6 information of what all that is about. Because I
7 understand that geothermal cannot operate without
8 certain policies that allow the brine to be
9 brought to the surface.

10 Again, that's just one example, but I
11 think I would like to make sure that those
12 conversations do occur. What can be done better,
13 what can the state and the federal government
14 help support to make it better. And the
15 difference is in the technologies as well.
16 Because looking at a lot of databases. And one
17 geothermal sometimes will not be the same as the
18 other. So there's a lot of information that I
19 hope is shared with the commission as well as
20 with the public. Thank you.

21 CHAIR PAZ: Thank you, Luis. And keep
22 that in mind as we move toward the other chapters
23 and discussing. Because I think some of the
24 recommendations or things you want to see would
25 be appropriate in some of the other chapters as

1 well.

2 So if we are done reviewing the
3 background, maybe we can move on to another
4 chapter. Tara?

5 TERRA WEEKS: Yeah. Thanks for that
6 discussion.

7 So I think we're actually going to go a
8 little bit out of order because it sounds like
9 Commissioner Soto needs to leave early and we
10 want to make sure that he can be involved in the
11 he discussion of the sub-area that he is engaged
12 on, which is the recommendations.

13 So I'm actually going to suggest we jump
14 to the discussion of the incentives. And I think
15 that will lead nicely into the discussion of the
16 recommendations. And then we'll hop back and go
17 through the rest of the topics as planned.

18 So this is within Chapter 2. So these
19 are the areas of analysis that are required by
20 the statute. The language on these slides is
21 what's in the statute. So it's fairly minimal.
22 The incentives section actually has kind of the
23 most language.

24 And so what it says in the bill for this
25 section is to look at the importance of and

1 opportunities for the application of local,
2 state, and federal incentives and investments to
3 facilitate lithium extraction from geothermal
4 brines, including, but not limited to the
5 following. Use of enhanced infrastructure
6 financing districts or community revitalization
7 investment authorities, new employment tax
8 credits in former enterprise zones, income or
9 franchise tax credits under agreements approved
10 by the California Competes Tax Credit Committee,
11 sales tax exemptions for new manufacturing
12 equipment, and leveraging tax incentives in
13 federally recognized opportunity zones.

14 So I guess I'll just open it up for
15 discussion on this item. And I am just trying to
16 remember who exactly is on the sub-body for this
17 one. I think it was Commissioner Weisgall.

18 MS. DE JONG: For Incentives it's
19 Commissioner Weisgall and Commissioner Guzman
20 Aceves.

21 TERRA WEEKS: Oh, right. So maybe I'll
22 hand it to Commissioner Weisgall first to just
23 kick off the discussion.

24 COMMISSIONER WEISGALL: Well, I think
25 this is I think a really critical part of what we

1 need to do. I've already started working in this
2 area. Obviously if we go to commercialization,
3 the goal here is going to be to produce lithium
4 in a cost-competitive manner with other producers
5 in the United States and around the world.
6 Sadly, there are a lot of off-takers who don't
7 care about the environmental benefits. So we
8 could have the world's most environmentally-
9 responsible lithium recovery system, but if we're
10 not cost-competitive, it's not going to work.

11 We all know that doing business in
12 California can be challenging. But at the same
13 time, the state does offer a number of different
14 incentive programs that really cover the
15 waterfront, beginning with employer-employee
16 credits, these tax credits in enterprise zones.
17 There were opportunity zones set up at the
18 federal level under the 2017 Trump administration
19 tax bill, which unfortunately excludes the exact
20 area of the geothermal plants. They do cover I
21 believe El Centro and parts of Riverside County.
22 But there is some work there that -- again, all
23 of these will lead to either low-cost loans, tax
24 credits, and the like.

25 There are other existing institutions.

1 There already is CAEFTA, the California
2 Alternative Energy Financing and Transportation
3 Authority, that can provide -- yes, it is a
4 terrible acronym, Terra, I see you smiling --
5 that can provide tax relief for manufacturer
6 equipment on sales tax. I know that Tesla used
7 that quite successfully.

8 There's also the opportunity to use or
9 take advantage of the Department of Energy's Loan
10 Program Office. Again, another -- you know, we
11 read in the newspapers about Solyndra. And
12 that's why many republicans have attacked this
13 loan program office, because that was a \$500
14 million loan that went south. People don't
15 remember that another beneficiary of that program
16 was Tesla, which paid back the federal government
17 with interest. And actually when you look at the
18 entire loan program amounts, they actually are
19 above water because some of these projects have
20 been so successful. But again, there you are
21 borrowing at Fed rates. You've got loan
22 guarantees. So there's really a whole array of
23 state and federal incentives that we just need to
24 make sure we apply to Lithium valley. Now,
25 obviously any individual developer, whether it's

1 ourselves or Energy Source or CTR can go to the
2 Loan Program Office, for example, when you're
3 ready to go commercial and you need a
4 construction loan and you want to borrow at even
5 lower than rates that accompany like mine can
6 borrow because we are AAA rated. But there also
7 I think is the need to look now at extending some
8 of these federal programs and state programs to
9 make sure Lithium Valley is covered.

10 The one example I used, Terra, were the
11 Federal Opportunity Zones. And I've already --
12 kind of making some noises in Washington about
13 trying to amend that program to make sure that
14 Lithium Valley is covered.

15 So that's the basic purpose. And all of
16 this will result in making Lithium Valley more
17 cost-competitive and making California's lithium
18 competitive in the market. I should say that in
19 our demonstration project, that our company
20 already has with the California Energy
21 Commission, we need to demonstrate that we can
22 produce lithium at under \$4,000 a metric ton. So
23 that's already one of our requirements, if you
24 will, under our demonstration R&D grant from the
25 energy commission. But those are some thoughts.

1 TERRA WEEKS: That's great. And just
2 kind of while I have you thinking about this, you
3 know, offhand are there specific folks you would
4 want to make sure that we're getting in the room
5 for the workshop on this? I mean, I think we
6 would obviously engage closely with GO-Biz. But
7 are there specific offices or people you would
8 recommend from federal or other local levels?

9 COMMISSIONER WEISGALL: Definitely GO-
10 Biz. Probably Department of Energy, the Energy
11 Efficiency Renewable Energy Office, probably the
12 Loan Program Office, a number of other folks.

13 Tom, you may have some ideas as well.

14 COMMISSIONER SOTO: I would say Derek
15 Chernow, who is the head of the Pollution Control
16 Finance Authority that Jonathan mentioned, I
17 think that you want to elevate this as high as
18 the state treasurer herself, Finoa Ma, and maybe
19 have her participate by Zoom in some of this
20 discussion and describe to us what her level of
21 priority is to assure that we get that priority.

22 There's also an excellent resource we
23 have with the Department of Energy. And that is
24 the secretary (indiscernible) Granholm is very
25 much a Californian. And she worked closely with

1 us at New Energy Nexus on a number of studies
2 that we were involved with. Now she's secretary
3 of energy. And her chief special assistant and
4 senior advisor many of us know. Her name is
5 Karen Skelton. And Karen and I had lunch in
6 Washington probably three weeks ago. And she is
7 desperate to identify opportunities that the
8 secretary could bring to California.

9 So I mentioned our commission and what
10 we're doing . So I would suggest reaching out to
11 Karen Skelton. And then of course Jigar Shah
12 from Generate Capital, who is now the head of the
13 loan program that Jonathan described. He's very
14 familiar with this topic, very familiar with
15 Lithium Valley, and I think could be an
16 incredible resource to help to have this
17 conversation gain scale toward a funding
18 opportunity. If I had my druthers, there would
19 be an absolute subdivision on lithium, national
20 security, and our future. And this would be the
21 hub.

22 COMMISSIONER WEISGALL: Yeah. And,
23 Terra, let me not take any more time here. But
24 there are plenty of other areas. And I think
25 maybe what I will do for the next meeting is

1 outline some or that. I mean, there are hiring
2 tax credits for qualified employees, there's
3 sales and use tax credit, there are business
4 expense deductions with accelerated depreciation
5 where a business can treat up to 40 percent of
6 the eligible cost of qualified property as a
7 business expense, not a capital expense. There
8 are net interest deduction for lenders. Really a
9 whole series of different programs.

10 And I think that -- and, you know, Tom is
11 absolutely right. We've got a Biden
12 administration that is looking not just to
13 promote a clean energy economy, but to devote 40
14 percent of all resources to disadvantaged
15 communities. So everything we're doing in
16 Lithium Valley checks every one of those boxes.

17 TERRA WEEKS: Yeah. That's great. And
18 just thinking through the workshop agendas, I
19 think it would be great to have you maybe kick
20 off that session with just an overview. We can
21 continue the planning process as we move forward,
22 but I think this is a great starting point.

23 COMMISSIONER WEISGALL: Okay. And what
24 I'll do is I'll get a slide deck to you and
25 Elizabeth just to get that process started.

1 TERRA WEEKS: Perfect.

2 CHAIR PAZ: Rod?

3 COMMISSIONER COLWELL: I'd just quickly
4 like to add to Jonathan's comments. I think what
5 we're seeing in the marketplace to actually
6 compete with the Gulf Coast and Georgia, part of
7 this consideration, whether it's Point B or E,
8 but there's probably some sort of limited land
9 tax exemption for the third party battery cathode
10 guys to attract them there. It could be limited
11 to a period of time, but some sort of careful
12 consideration on that. Because at the moment, a
13 hundred percent of nothing is nothing. And to
14 get these guys there rather than going to Georgia
15 is a real competitive environment at the moment.
16 So I just wanted to add that to Jonathan's
17 comments.

18 CHAIR PAZ: Thank you. Luis?

19 COMMISSIONER OLMEDO: Yeah, hello. These
20 all seem to be very traditional models of
21 incentivizing the community development or
22 infrastructure development, industry incentives.
23 All very important.

24 One thing that I don't see very often is,
25 again, the spirit of the direction that the

1 federal administration, President Biden wants to
2 take the country. You know, buy American. I
3 certainly think there's a lot of room to support
4 the industry and help both incentivize it as well
5 as provide -- make it more competitive in
6 California and certainly here in the Salton Sea
7 region. I think it would be very interesting to
8 see how some of these traditional incentive
9 models, how they directly impact the
10 disadvantaged population. And what I've seen is
11 that there's a lot of fly-by-night industry where
12 there's a lot of incentives. But once those
13 incentives dry up and, you know, a lot of these
14 businesses tend to just pack up and move on to
15 their next project. And we have seen them. You
16 know? I'm not just making this up. I mean, we
17 saw with Biomass and some of the other industries
18 that haven't really, you know, delivered on their
19 promise. So how these -- how can these -- I
20 would like to see if there is a way to tie these
21 incentives and whether there's a greater
22 opportunities now, you know, as much as we know
23 and as much investment the Federal Government and
24 the state want to put into lithium, to make that
25 calculation. If we go one route, then we take,

1 you know, from the community. We go the other
2 route, then we don't take from the community but
3 we incentivize the industry. Right? And then we
4 make this industry successful.

5 CHAIR PAZ: Thanks. I would like to see
6 in this area how some of these tax credits can
7 have a win-win both for the development and the
8 community. So the one that I'm most familiar
9 with is the enhanced infrastructure financing
10 districts, although I know there's just a very
11 difficult negotiations that need to happen to
12 establish those between the different
13 jurisdictions. But I'm using that as an example
14 of an incentive that can help both address some
15 of the infrastructure challenges that were
16 presented during our last commission meeting when
17 it comes to roads or transportation. And those
18 are some of the same things that our communities
19 would benefit from; having enhanced roads, having
20 enhanced connections, connectivity, things like
21 that.

22 So in this area of analysis, I would like
23 to see sort of that kind of thought process;
24 where is it that some of these incentives can
25 have a double win both for directly improving and

1 enhancing the surrounding community, but also
2 allowing the development of lithium.

3 TERRA WEEKS: Other comments on this
4 topic?

5 COMMISSIONER SOTO: The only other thing
6 I would add, Tara, is -- and I don't know where
7 it's at. I'd have to check. But remember part
8 of the current jobs bill from the President.
9 There is a tax credit for freestanding solar or
10 freestanding storage. And it's a little bit
11 downstream from where we're at because it's those
12 who actually deploy the storage. But, you know,
13 that is an incentive to invest in storage overall
14 and thus it could help to add an additional
15 kickstart to what we're talking about here. Up
16 until now, storage has not gotten its own
17 independent tax credit. It has to be aligned
18 with or integrated with solar. So now we have our
19 own so that you could have commercial,
20 industrial, residential storage. And whomever
21 has that could get a credit for it.

22 CHAIR PAZ: Jonathan?

23 COMMISSIONER WEISGALL: Just FYI. Tom,
24 you're right. The wind industry has become very
25 successful in the last 30 years, due largely to a

1 production tax credit, and the solar industry
2 through an investment tax credit. And solar plus
3 storage has that. And as Tom says, a standalone
4 investment tax credit is probably coming for
5 storage. I hope to work -- and it's premature,
6 but I do hope to work on a production tax credit
7 for lithium production. It fits exactly the mold
8 of what has made wind and solar and now storage
9 successful. Much like, you know, we're going to
10 see an offshore wind production tax credit
11 probably by the end of this year.

12 So, again, that's something else to think
13 about. That will be at the federal level and not
14 the state level, but it's one other incentive to
15 think about.

16 CHAIR PAZ: Thank you. Luis?

17 COMMISSIONER OLMEDO: You know, one thing
18 that I've been eager to share with the industry
19 for quite some time is that I wonder if sometimes
20 -- and again, this is -- maybe it will come up in
21 conversations in the future unless, you know,
22 there's an answer for it. But sometimes I get
23 the feeling that the industry feels, look, we've
24 done enough. We've given enough to the
25 community. And so it will be important to also

1 see the entire journey of these resources and
2 whether these resources just aren't reaching the
3 community or where they're getting stuck
4 somewhere where they're not reaching the
5 community in terms of benefits. And, again,
6 benefits across the board.

7 But in all fairness, again, it's just
8 sort of a sentiment and an observation and a
9 thought that I have had, that maybe the
10 geothermal industry feels, hey, we've been
11 investing and we have it here and we can show it.
12 And I would believe it. But we are living at a
13 time where we have been finding more and more
14 that there have been inequities, and those
15 inequities have resulted in disinvestment and
16 creating extremely economic disadvantages,
17 economic depressed areas, economic depressed
18 neighborhoods.

19 So I certainly continue to be
20 enthusiastic about the opportunities that come
21 with these conversations and how we get it to the
22 finish line.

23 Jonathan?

24 COMMISSIONER WEISGALL: Delighted to
25 share that data with Commissioner Olmedo. We

1 have 235 employees now. Our employee base is
2 about 85 percent Latino. I mean, it reflects the
3 demographics. 100 percent of our employees come
4 from Imperial County, some from Riverside. But
5 that's the whole employee base. And our wages
6 are 197 percent the median wage in Imperial
7 County. So we pay about double the wage with
8 complete health and retirement benefits. But,
9 again, if you want that information, we'd be
10 delighted to get that.

11 I think that there may be a need to clear
12 the air here on some concerns in the community
13 about what our geothermal industry does. I don't
14 have the exact figures, but I think it's safe to
15 say we've paid \$45 million in property taxes in
16 the last eight years, all for local community.
17 So we're very proud of what we do in Imperial
18 County.

19 CHAIR PAZ: Thank you, Jonathan. I
20 wanted also to mention in this area as we're
21 thinking about community engagement and having
22 engagement as a through line throughout the
23 different chapters, having conversations with the
24 community about what if any is the impact of
25 these tax credits on their communities will be

1 important. That way we can understand. And,
2 again, I don't have very much -- and I'll repeat
3 this. I don't have much understanding of these
4 tax credits. But with infrastructure financing
5 districts, if it's the different cities that are
6 reallocating part of their tax increment for a
7 specific project, so what is it that we're saying
8 no to so that we can say yes to this. And I
9 think having those conversations with the
10 community so that they can understand and also
11 inform us about what that impact is going to mean
12 to them on a day-to-day and that we feel
13 comfortable moving in that direction, again, with
14 a fully conscious of what that impact is going to
15 be. And so that's a particular area of interest
16 for me, but I also think it's a very important
17 opportunity to be thinking about how we might
18 start engaging the community and some of these
19 conversations that may seem less -- maybe less
20 attractive for community dialogue.

21 And I see Tom's hand up.

22 COMMISSIONER SOTO: And I can't agree
23 with you more, Sylvia, because as deeply involved
24 as I am in the energy industry, tax credits
25 sometimes remain a mystery to me. And I think

1 the best way to promote how these actually
2 convert to improve quality of life is working
3 with the feds and the state and showing them
4 comparables of other communities that benefitted.

5 You know, the first one that comes to
6 mind of course is the entire fossil fuel
7 industry, which gets about \$600 billion a year of
8 subsidies, tax credits, and so forth. And that's
9 a sector that has built entire communities and
10 economics around certain regions of the country.

11 And so we are headed in the same
12 direction. And because of the types of tax
13 credits, production tax credits on solar and
14 wind, we now see five million people a morning go
15 off to work in the clean tech industry, more than
16 in fossil fuels and coal combined. And that's a
17 direct result of what Jonathan described. Having
18 the type of production tax credits in place that
19 help to allow the birth of those sectors and help
20 to gain the economies of scale.

21 So I think getting examples of where this
22 has worked effectively to show the community that
23 this is not a rip off of their resources in
24 exchange for nothing. You know, it is a very
25 good, mutually-beneficial opportunity for the

1 scaling of regional economics in the Imperial
2 Valley in exchange for a line and extraction
3 sector to come in and sustainably prove out
4 lithium as a factor of our future.

5 CHAIR PAZ: Luis?

6 COMMISSIONER OLMEDO: So just
7 backtracking a comment from Commissioner
8 Weisgall. I did want to let him know that I am
9 very familiar with the good jobs that the
10 geothermal industry provides. You know, very
11 competitive jobs. But it also has a very large
12 spectrum of the type of jobs that it creates.
13 They're not all great jobs, but I do recognize
14 that there are. And we are a small community and
15 many of our family members have worked there and
16 appreciate what it does.

17 But I did want to clarify that, you know,
18 there's a whole series of revenues that are
19 generated and that do end up in our community.
20 And again, I don't want to put the burden on the
21 industry itself. I don't want to be on the
22 defensive and think this is about the industry.
23 We have had projects out here that have gone
24 through these same steps and the same journeys
25 and end up costing our community tremendously.

1 Big, big dollars. National Beef being one of
2 them. And the only people that ended up having
3 to pay and still paying are the low-income
4 residents that populate our neighborhoods, our
5 communities.

6 So, you know, in order to avoid those
7 types of costly outcomes, which again, we have
8 seen, you know, bad outcomes, too many bad
9 outcomes. So this is a great opportunity. I
10 continue to say the same thing. It's a great
11 opportunity.

12 But I do ask the patience of the members,
13 the patience of the industry, commissioners.
14 Please know that any questions that I bring are
15 certainly questions that are just intended to
16 just be more informed and better understand it.
17 And I want to support Madam Chair about getting
18 more information. You know, we need to know
19 more. We need to understand what's the tradeoff
20 and what's the win-win scenario. Thank you.

21 CHAIR PAZ: Thank you. Are there any
22 other comments on this chapter?

23 Terra, back to you.

24 TERRA WEEKS: Great. Thanks for that
25 discussion. I think this is really helpful and I

1 think this feeds really well into the discussion
2 on recommendations.

3 I'm actually going to suggest though that
4 we take a quick break just because these meetings
5 are very long and we're all staring at small
6 screens. So I might suggest we break if it's
7 okay with you, Chair Paz, and then reconvene to
8 talk about recommendations at 3:00.

9 CHAIR PAZ: At 3:00. Okay. Just making
10 sure, Tom, you're still going to be here at 3:00,
11 correct?

12 COMMISSIONER SOTO: Yes, I'll be here.

13 CHAIR PAZ: Okay. Thank you.

14 (Break)

15 TERRA WEEKS: Okay. So thanks again for
16 that discussion. I would like to now turn to the
17 conversation around recommendations in the
18 report. So I think it's probably a little
19 premature to really dive into this discussion
20 around what types of or what specific
21 recommendations we'd like to include in the
22 report. We really just wanted to allow for a
23 discussion mainly around the types of
24 recommendations, if you do have ideas that you'd
25 like to vet through this process, or other

1 questions around the recommendation development
2 process. I think there could be an instance
3 where we might not have a unanimous agreement
4 across the commission on recommendations. So
5 just kind of starting to think through what this
6 chapter could look like and kind of how you'd
7 like to see those discussions evolve.

8 So just reviewing quickly the statutory
9 language for this section. It says
10 recommendations for legislative or regulatory
11 changes that may be needed to encourage lithium
12 extraction from geothermal brines. And the one
13 specific example it gives is including whether
14 the development of a centralized tracking system
15 for lithium project permitting by state and local
16 regulatory agencies would assist with the
17 development of the lithium industry.

18 So I think because we just had a robust
19 discussion in incentives, maybe we'll talk about
20 recommendations outside of the realm of
21 incentives and just see are there other ideas or
22 types of ideas that you would like to explore.

23 CHAIR PAZ: Rod?

24 COMMISSIONER COLWELL: Yes. I guess
25 kicking this off, this is starting to get -- so

1 we've dealt with tax. Yeah, legislative or
2 regulatory changes. And I think that there's
3 probably three areas here that we could really --
4 you know, as a suggestion.

5 The first one would be, you know,
6 California to administratively approve a new CEQA
7 exemption for lithium projects using geothermal
8 energy. That's a piece of legislation that
9 applies to solar and wind, but it somehow doesn't
10 apply to geothermal and lithium. So that would
11 expedite the process.

12 Also the second part would be I guess GO-
13 Biz or the Governor's office could call the White
14 House Council of Environmental Quality to declare
15 Lithium Valley developments as high priority or
16 major infrastructure projects for permitting
17 streamlining and accountability. So if we're
18 starting to get into particularly related to tax
19 where this is becoming a critical industry, which
20 I think we all believe, hence we're all here, is
21 something that really the federal government
22 could get involved in and really sort of help
23 fast track and streamline the process. Encourage
24 local, state, and federal support to establish
25 Lithium Valley an opportunity or an enterprise

1 zone is what we've been sort of talking again a
2 little bit, I guess, on the tax side is that, you
3 know, incentivizes development of cathode and
4 battery manufacturing over and above just
5 lithium. So that's the point I made earlier a
6 little bit about the land tax exemptions or a
7 proper enterprise zone.

8 So there's three areas there that I'd
9 just like to put out there just for
10 consideration.

11 CHAIR PAZ: Jonathan:

12 COMMISSIONER WEISGALL: Tom, why don't
13 you go first? You may be on a time pressure.
14 I'm fine.

15 COMMISSIONER SOTO: Sure. No, that's
16 fine. I'm good until about -- I think my call is
17 at 4:00, which is a call between Japan and the
18 East Coast. So there's this tiny little window.

19 You know, I think everything that Rod was
20 saying is correct. Some of the points that
21 Jonathan brought up with respect to next
22 generation of thought legislatively. And what we
23 may want to do is see whether there is an
24 appetite on the hill with Vargas and others who
25 sit on either appropriations, energy and

1 commerce, and who represent the area to come up
2 with an omnibus bill that has everything from
3 working with developing an enterprise zone to the
4 production tax credit for lithium production and,
5 you know, have a federal path to implementing
6 what could be a much greater consideration for
7 Lithium Valley to scale and scale much quicker
8 under those types of incentives, for one, and do
9 the same, frankly, with the State of California
10 and see if we can get legislative support or PUC
11 support to boost the Energy Commission's capacity
12 to maybe designate more specifically, like we
13 have with the EPIC program, lithium production.

14 I think, Jonathan, you guys are somewhat
15 the beneficiary of a small amount of that.
16 Hopefully it could be more in the future. But
17 there should be a little bit more of an exclusive
18 play here given that the disproportional aspect
19 of this being such an early stage startup sector,
20 the CEC could really be critical in helping it to
21 scale and become a meaningful specter.

22 We also have to keep in mind that there
23 is -- you know, we talked about the DOE's loan
24 program, which Jigar runs, and a lot of DOE. But
25 we also have great expertise. The former head of

1 small business for GO-Biz, Isabel Guzman, is now
2 the head of the SBA. And, Rod, folks like you
3 and others could be very well-qualified for some
4 of the SBA benefits with respect to low interest
5 loans. Maybe they could direct you to some of
6 the SBIC funds that are looking to contribute to
7 the clean tech sector.

8 So all of that said, maybe we should just
9 explore three things, basically. Administrative
10 remedies that could be done at the executive
11 level through the White House, i.e. Office of
12 White House CEQ, NEC, and others and Department
13 of Energy, and then a legislative package at the
14 federal level which would include all the things
15 that we just discussed. And then the same with
16 the state with a state legislative package that
17 would amend CEQA to have less onerous review, as
18 Rod was indicating, among other things. And then
19 administrative with seeing whether we could get
20 the PUC and the CEC to work with one another for
21 an additional level of oomph for the infant baby
22 lithium sector, production sector.

23 CHAIR PAZ: Jonathan?

24 COMMISSIONER WEISGALL: All great points.
25 Couldn't agree more. I am delighted that

1 representative Pete Aguilar on appropriations has
2 been involved in this. Had meetings with him and
3 staff, and he was able to get funding through
4 Department of Energy on lithium research. Right
5 after I met with Dr. Ruiz, who represents
6 Riverside County and sort of the north part of
7 the Salton Sea. The plants are, as you say, in
8 Juan Vargas' district, but Ruiz actually
9 discussed lithium with Secretary Granholm. In
10 fact, last week she was asked about this at a
11 hearing before the House Energy and Water
12 Appropriations Subcommittee and specifically
13 talked about the conversation she had just had
14 with Dr. Ruiz on lithium. So this is -- this
15 checks every box at the federal level.

16 I think that in terms of recommendations,
17 permitting is critical. The last geothermal
18 plant we designed and permitted took four years.
19 That's not going to work for lithium.

20 Part of the solicitation or the grant
21 that we won from the U.S. Department of Energy
22 will include some funding to do the engineering
23 and to begin the permitting to go commercial.
24 But community support, going back to our earlier
25 conversation both with Commissioner Olmedo and

1 Chair Paz, you know, community support, early
2 engagement is going to reduce delays. State
3 interagency cooperation and streamlining is going
4 to help, as well as the community outreach that
5 we've already held with our virtual town hall
6 meeting and another one we're going to schedule
7 for July.

8 So I don't have anything specific there,
9 Terra, other than I think we just need to flag a
10 permitting streamlining. And of course we don't
11 know today what agency would even permit a
12 lithium plant. I think it's going to be pretty
13 obvious that it should be the Energy Commission
14 since the Energy Commission has jurisdiction over
15 any geothermal plant above 50 megawatts. And I
16 would say we have a number that are 49.9
17 specifically to, you know, permit local
18 permitting. But the four-year process with their
19 big plant, that Black Rock plant I mentioned,
20 showed the frustrations we had at the state
21 level.

22 So I think it's just worth flagging the
23 need for streamlining permitting. That does not
24 mean end-running CEQA in the slightest. But
25 certainly deadlines are critical. Single point

1 of accountability is critical, things like that.

2 Nobody is talking about avoiding legal,
3 you know, requirements and environmental reviews,
4 but there really is a need to streamline the
5 process assuming the industry is ready to go
6 commercial. Those would be my thoughts.

7 CHAIR PAZ: Thank you, Jonathan. One of
8 the points you made, Jonathan, about the
9 importance of community engagement and support
10 and how we -- you know, the sooner that we
11 address that, the better it will be for the
12 development of lithium made me think about a
13 comment that I think Rod had mentioned before in
14 terms of there being no pathway for the potential
15 of royalties that could help restore the Salton
16 Sea. And I know that that option and maybe think
17 goodwill about dedicating some sort of benefit to
18 the restoration of the Salton Sea has been alive
19 from the very beginning of the conversations of
20 lithium and lithium development from the Salton
21 Sea. So some type of legislative recommendation
22 around the ability for us to direct funding for
23 the restoration. It's probably going to be
24 necessary. Whether it's legislative or
25 administrative, I'm not sure. But having some

1 type of recommendation around that.

2 Luis?

3 COMMISSIONER OLMEDO: On the topic of
4 streamlining, in the two decades that I've been
5 working on environmental justice, I haven't
6 really seen a very clear benefit in permit delays
7 always translating into greater protections,
8 whether it be the environment, public health, or
9 greater community benefit. Exemptions though are
10 another subject matter that often does result in
11 having significant impacts. Right?

12 So I just wanted to just make that
13 distinction that a lot of times delays in
14 permitting or the involvement of environmental
15 organizations because they weren't brought in
16 early, which I am very thankful to that level of
17 agreement that the community and stakeholders
18 need to be involved early on, that delays I don't
19 think benefit anyone necessarily. And I keep
20 seeing messages about timing. And I think it's
21 clear that this is a once in a lifetime
22 opportunity. Don't want to see delays. Delays
23 in permitting don't always translate into
24 community benefits.

25 So I hope that opens up kind of -- oh,

1 and another area of thought and perhaps even
2 agreement that that's the last thing I would want
3 to see is delays and then be blamed on, well,
4 it's the environment. It's not always that.
5 It's the bureaucracy a lot of times doesn't move
6 things quickly enough. And there's also a big
7 difference.

8 I know that -- thank you for mentioning
9 that geothermal right now operates below the
10 threshold that, you know, keeps it at the local
11 permitting. And, you know, there are some pros
12 and cons. And it goes back to the message I keep
13 putting out there, is that I like to see the
14 industry have a much larger conversation.
15 Historically we have had a few people or a few
16 hands that seem to be the ones that control the
17 permitting and manage all of that. That's not
18 sustainable and that's not a long term -- I think
19 big companies like those that operate around the
20 Salton Sea deserve a better opportunity for long-
21 term sustainability and better relationships with
22 the community. And that's going to require a
23 much larger conversation.

24 So I do hope that this really transforms
25 the way that the industry operates out here for

1 the betterment of all.

2 CHAIR PAZ: Jonathan?

3 COMMISSIONER WEISGALL: Commissioner
4 Colwell, you were the one who suggested payments
5 to Salton Sea restoration at the last meeting.
6 Do you want to outline what your thoughts are?
7 Because I think we are maybe a little bit -- have
8 a slightly different view. But I'd like to hear
9 your thoughts.

10 COMMISSIONER COLWELL: Well, I guess the
11 reference probably pertains to us more so than
12 you guys, Jonathan. We are in the playa. The
13 situation is a practical one for us, which
14 includes the wider Imperial Valley all the way up
15 (indiscernible). So, you know, close to 5,000,
16 6,000 of exposed playa is not exactly what we,
17 our people want to work in as well. So whether
18 it's administratively or just by moving forward
19 and doing community collocated work or whether
20 it's work with DWR, you have to be determined.
21 But the point is, you know, there's a large
22 expanse of playa. You know, geothermal is a
23 relatively low footprint, but it does actually
24 open up the opportunity for other mitigants for
25 playa, whether it's ag use, whether it's

1 (indiscernible), whether it's actual habitat or a
2 culmination of all of that is what we are
3 interested in exploring. So whether it's a per-
4 ton tax or not.

5 But the main point was specific to dust
6 and we are very cognizant of that issue out
7 there. And that's something that we're quite
8 keen to explore.

9 And for those of you who have been to Red
10 Hill Bay, respectfully, you know, we've seen
11 reports and ring binder folders. I mean, you can
12 cover the whole bay with ring binder folders and
13 it would probably be more effective than the work
14 that's been done.

15 So as a private business, I think we're
16 very capable of getting out there and assisting,
17 working with communities and groups to deal,
18 really tackle the issue, at least on our part of
19 the lakebed, so to speak. So that's where I was
20 referring, Jonathan, and we're pretty keen to
21 take a proactive approach on that real issue.

22 COMMISSIONER WEISGALL: Yeah. Let me --
23 Chair Paz, let me just give you a couple of
24 thoughts in that regard if I could.

25 I don't know what your company's

1 community investment activities are, Rod. But I
2 will tell you all of the Berkshire Hathaway
3 energy companies participate very actively in
4 community investment, scholarships, family case,
5 farm bureau, food banks, educational scholarships
6 and the like. We certainly will be increasing
7 those community investment funds if we're
8 successful in our demonstration projects and we
9 move to full commercial deployment. Our plants
10 did not cause any problems at the Salton Sea.
11 They are adjacent to the Salton Sea, but they're
12 not related at all to the Salton Sea. We're very
13 good neighbors with the Sonny Bono Salton Sea
14 National Wildlife Refuge which is immediately
15 adjacent to our geothermal plants. I think we've
16 shown that this land can support both habitat and
17 geothermal and mineral production. We've worked
18 very closely with the Salton Sea Authority.

19 I think really the issue here is are we
20 looking at this industry all of the sudden
21 supporting Salton Sea restoration? I mean,
22 Governor Newsom I believe is now allocating \$220
23 million for the ecological crisis of the Salton
24 Sea from getting worse. I would hope that
25 President Biden's proposed \$2 trillion or now

1 \$1.7 trillion infrastructure program with 40
2 percent allocated for disadvantaged communities
3 and with a clean energy emphasis could help. But
4 those are not -- those are huge numbers. I've
5 seen estimates of Salton Sea restoration also in
6 the billions.

7 I don't think it's wise to start throwing
8 out numbers for Salton Sea support when not one
9 ounce of lithium has been produced yet. And I
10 said earlier if all this exercise involves is
11 producing lithium at a cost that is not
12 competitive with the world market, we haven't
13 accomplished anything. We need to show as a
14 company we know on our demonstration project what
15 our limitations are from the California Energy
16 Commission itself, which is to produce at under
17 \$4,000 a ton.

18 If you start from the get-go from not
19 even -- you know, Tom, you're right; we are in
20 our infancy. We are in the top of the first
21 inning right now with just a demonstration
22 project for which we have not even broken ground.
23 I mean, we will in a couple of weeks. But that's
24 where we are.

25 So I would just say it's premature to

1 start talking about major Salton Sea restoration.
2 That's a different topic. Community investment?
3 absolutely. Close relationship with Imperial
4 county, we already have that and we will greatly
5 increase that community investment as we spend
6 more investment dollars of our own. But I don't
7 think that translates into any obligation of a
8 lithium industry somehow to be responsible for
9 cleaning up the Salton Sea.

10 CHAIR PAZ: I hear where you stand,
11 Jonathan, and where your comments are coming
12 from. And again, my -- it may be premature, but
13 I don't think it's out of the question. At least
14 in the hearing yesterday that we participated in
15 that came up. And it's come up even before
16 (indiscernible). So it's not something that I'm
17 putting forth as my idea, but it's something that
18 has definitely been attached to the conversation
19 of lithium. And while it may be premature now, I
20 wouldn't want to not explore what a possible
21 benefit to the restoration of the Salton Sea, if
22 any, and what might allow us to get there.

23 Luis?

24 COMMISSIONER OLMEDO: First of all, I
25 want to thank Commissioner Weisgall for his

1 constantly direct and honest explanations and
2 enlightenment of the situation of the industry
3 and its operation in the Salton Sea and basically
4 a very logical view of how things are and how
5 things should be looked at.

6 It is also a question that constantly
7 have me seeking a better understanding as to, you
8 know, years and years ago there was the push for
9 geothermal. And I get it, it's a great baseload
10 energy, it's sustainable. There are some
11 concerns that continue to bring at the
12 appropriate times and perhaps even the
13 subcommittees. But sometimes I feel it is
14 premature to be talking about geothermal or
15 lithium as being the driver of restoration in the
16 Salton Sea given that there are very, very clear
17 responsible parties and agreements that have been
18 in existence for the Salton Sea. And it should
19 not be these -- if this strategy then becomes an
20 economic opportunity for some of the land owners,
21 then I understand it. But the industry itself, I
22 don't see it as the promise of the Salton Sea.
23 Those agreements have already been made and those
24 responsible parties have already been identified
25 and the resources and who is supposed to make

1 those investments have already been agreed upon
2 and identified. Whether they're following
3 through with their commitments, that's another
4 question.

5 And I do agree that these benefits do
6 need to reach our communities. I continue to
7 repeat that I will continue to ask the industry
8 members and the industry as a whole to broaden
9 the conversation because it is one of the
10 fundamental reasons why the majority of the
11 population is not seeing these benefits. Because
12 we live in a community that is disengaged, that
13 is not involved, that perhaps will be very
14 difficult for them to, even in the early stages
15 or even through this entire process, to
16 participate in the masses. So it really does put
17 the responsibility back on responsible industry,
18 businesses, and every member on this commission
19 to assure that that voice, whether present or
20 not, is uplifted and is part of the conversation
21 and that the benefits truly reach the community.

22 With that, I also want to thank
23 Commissioner Weisgall because it has been my
24 suspicion that it would not be in the best
25 interest of Berkshire Hathaway to play a role of

1 interfering with these hybrid projects, both
2 habitat and the potential future speculation of
3 lithium production and geothermal. And Red Hill
4 Bay being a perfect case study that I would like
5 to ask Madam Chair Paz and the commissioners that
6 perhaps we can use Red Hill as an example as to
7 what are some of those complicated scenarios that
8 may occur because of these early conversations
9 and speculations of lithium and geothermal.
10 Thank you.

11 CHAIR PAZ: Thank you. Frank?

12 COMMISSIONER RUIZ: Hi, everyone. This
13 is Frank. I totally agree with Commissioner
14 Olmedo and Paz. And although the lithium
15 industry should not be held responsible for the
16 Salton Sea, this issue already became part of the
17 community's issues. And it is already an
18 integral part of the community, some culture in a
19 way.

20 So to have a discussion early on, to make
21 sure that how can this industry benefit, this
22 problem that already became part of the
23 community. I don't think it should be
24 disconnected in any way from what is happening in
25 the larger context of the whole community, I

1 think it will be beneficial to discuss it early
2 on and the benefits or the impact. I really hope
3 and I am very positive that the impact to the
4 Salton Sea and the environment will be a positive
5 one. But I think it is important to have these
6 early on conversations, how can some of these
7 revenues, how can these royalties benefit the
8 Salton Sea directly. Obviously we are struggling
9 to find the monies to even implement a ten-year
10 plan. And currently we don't even have a funding
11 mechanism for operation and maintenance.

12 So I think even though this industry is
13 not responsible for it, we already know who is
14 legally obligated to take care of the problem. I
15 think that having this early on discussion will
16 definitely benefit how we proceed, how we go
17 about this in the context of the benefits to the
18 communities.

19 CHAIR PAZ: Thank you, Frank. Luis?

20 COMMISSIONER OLMEDO: Madam Chair, I'm
21 sorry, did you say I can go ahead and speak?

22 CHAIR PAZ: Yes. Do you have your hand
23 up? Yes.

24 COMMISSIONER OLMEDO: Yes. I do want to
25 give support to Commissioner Paz and -- Madam

1 Chair Paz and Commissioner Ruiz. No, I fully
2 agree with the early conversations. Where I come
3 from, just my concerns is that this is a new
4 resource, new revenues. Don't want to make it
5 convenient for those commitments and existing
6 revenues that should be going to Salton Sea to be
7 replaced. And these new benefits, I'd prefer to
8 see them reaching the community that is least
9 likely to have new resources.

10 I understand the opportunity to do the
11 growth of the industry, the footprint that could
12 help manage and mitigate dust, suppression type
13 of infrastructure. I understand all those
14 benefits. But again, I think we've seen where
15 there are resources. And right now currently
16 there is no transparency. We don't know where
17 those resources are going. You know, there's
18 DJPA dollars, the state has certain commitments,
19 the landowners have certain commitments. And I
20 wouldn't like to get too far into trying to put
21 this responsibility on the industry when these
22 are new resources that are going to -- new
23 opportunity for new resources for our community
24 to decide where those resources are most greatly
25 needed. And it could be the Salton Sea. I'm not

1 disputing that, by the way.

2 CHAIR PAZ: Thank you. Any other
3 comments for this section? Okay. Back to you,
4 Terra.

5 TERRA WEEKS: Great. And I think this is
6 a good discussion to have and these are exactly
7 the types of discussions that we can tee up in
8 the workshop too to make sure we're looking at
9 the recommendations from all perspectives and
10 really helping you to think through them as a
11 group. And I think just in addition to what was
12 already said, thinking through some of the
13 downstream I guess opportunities, recommendations
14 specifically to support the supply chain. And I
15 think there was a comment in another meeting
16 around really focusing this report just on
17 supporting lithium development directly. So
18 those may be out of scope. But just another idea
19 to kind of throw out there.

20 So we are actually going to move
21 backwards now, kind of going back to the
22 beginning of this presentation. I think actually
23 the three areas that we touched on, vision,
24 incentives and recommendations, are really meaty
25 areas. So I think some of these may be a little

1 bit brief. Hoping to get just high-level input
2 and just being aware of time. I think we had
3 allotted until 4:00 for this discussion. We can
4 go a little bit over that because we don't have
5 that many more administrative items after this.
6 But really just kind of want to brainstorm, get
7 some initial input on where we're going.

8 Okay. So next slide, please. Where are
9 we? Okay, great. So this is the first topic
10 listed in the bill and this is on furthering
11 development of geothermal power. So the bill
12 reads, "To look at actions that will support the
13 further development of geothermal power that have
14 the potential to provide the co-benefit of
15 lithium recovery from existing and new geothermal
16 facilities". And then just going back to see who
17 -- so we have Commissioner Olmedo and Vice Chair
18 Kelley as the sub-body on this one. So maybe
19 I'll just pass it over to either of you.

20 MS. DE JONG: I don't believe Vice Chair
21 Kelley has joined us on the meeting or been able
22 to join us again. So Commissioner Olmedo maybe.

23 COMMISSIONER OLMEDO: Again, I think
24 there's been so much conversation across the
25 different areas. You know, I'm sure the

1 conversation we've also discussed supporting the
2 development of geothermal power. You know, I
3 think our goal is essentially everything that's
4 been discussed. It's identify the opportunities
5 and hear from all stakeholders, try to take
6 advantage of whatever incentives are out there,
7 tax type of incentives, and see how we can get
8 this industry. You know, like I said, this is a
9 once-in-a-lifetime opportunity to bring this
10 industry, and not only support the geothermal
11 development. And like I've mentioned earlier, I
12 think there's going to be a need for gathering a
13 lot of information, hearing from the experts in
14 the room, hearing from other, you know,
15 independent researchers that can also help
16 enlighten us and try to figure out what's
17 happening right now, what are the opportunities
18 to make it better, what does the industry need to
19 operate better, more efficiently, cleaner. And I
20 understand that there are some facilities that
21 have been around for a long time and some newer
22 ones that operate much more efficiently. How can
23 we get them all? You know, to the best, most-
24 efficient model or better.

25 And again, I think that the industry has

1 operated here for a very long time. This is a
2 long history. Again, it is my assumption just
3 from what I've read and what I've seen, I'm
4 really seeing the roadmap of how the revenues and
5 the royalties of minerals, the spirit of what the
6 legislation -- extraction, how that has operated
7 and is it actively occurring and how lithium will
8 be different from that. And again, at the end of
9 the day it's how can we put a plan forward that
10 allows this lithium industry to thrive locally.
11 Right? And it's important. It's understood,
12 it's loud and clear. So, again, once-in-a-
13 lifetime opportunity and timing is of the
14 essence. And we would hope that this commission
15 is able to deliver a good plan that is agreeable
16 by all. And I believe that it is possible.

17 So that's my commitment as being part of
18 this, and I will ask the members, again, for
19 enlightening me as a commissioner as well as the
20 community and all other experts that can help us
21 develop this chapter. Thank you.

22 CHAIR PAZ: So I know -- and I see that
23 Ryan Kelley has just joined us. But I know that
24 there hasn't been a lot of investment in
25 geothermal power. And maybe IID, James Hanks

1 might have also some insight as to what are some
2 of the things that have limited the growth of
3 geothermal power.

4 So not to put you on the spot, James, but
5 when you are ready, I really think that the
6 experience that IID has had might be helpful in
7 this area. But I do see Rod's hand up.

8 COMMISSIONER HANKS: Yeah. I'd be happy
9 to jump in there.

10 First of all, I would make this point
11 very clear, that the lithium deposits are not
12 just anywhere that you drill. And they are also
13 not found in every producing geothermal well in
14 Imperial County. It is isolated to, so far that
15 we know of, to the area known as the Known
16 Geothermal Resource Region, which is at the south
17 end of the sea.

18 Now, whenever we talk about expediting
19 projects and so forth, the first thing that's got
20 to be developed is geothermal power. And there's
21 a certain amount of the power that would be
22 needed in the recovery of the lithium. So first
23 of all, that kind of -- that's going to help
24 offset the higher cost of geothermal just by
25 itself. So that's going to be helpful.

1 With the incentives that's being given to
2 other types of renewable resources, it would give
3 the impression that geothermal is more expensive.
4 But if you start adding up all the additional
5 costs we are fully aware of now with geothermal,
6 about 4:00 or 5:00 in the afternoon in the peak,
7 hot summers, the production of energy starts
8 tailing off to the point now from about 5:00 to
9 10:00 we have a real tough time meeting demands,
10 especially with shutting down the natural gas
11 generators and so forth.

12 So there's an opportunity here with
13 investors to come in, off-takers of the lithium,
14 to become involved in the geothermal production,
15 too. We're going to need that.

16 One of the biggest users of electricity
17 in the State of California deals with the
18 movement of water in the state. And a lot of
19 that was being generated from the use of coal,
20 and now the state generators. So this is going
21 to be a big plus. It will be a big plus for the
22 state to get involved and move this power to help
23 move the water. It is renewable, it is 24/7.
24 There could be times in peak shortages that they
25 could do some demand calls on some of this power

1 and help the state through those days. Sometimes
2 those days may only be five or six days a year.
3 But we're being told for this year it may be a
4 whole summer, and I'm very concerned about that.

5 But these off-takers are interested in
6 the development of geothermal power, they're
7 interested in getting it on their transmission
8 lines and getting it to other places in the
9 state. It helps build inertia in our lives
10 that's needed to move the energy. So there's all
11 types of co-benefits that will be provided by the
12 lithium recovery.

13 We have some existing plants that we know
14 have lithium in the brine. And once the R&D is
15 completed and we know the cost of recovery, I
16 think you will see an additional benefit because
17 I think that's going to help in the pricing of
18 the energy that's being produced and make it very
19 competitive. But you can't anticipate just going
20 to drill a well somewhere around the Salton Sea
21 and hit the lithium. It is a very expensive
22 discovery in drilling the wells. You have to
23 find sufficient brine. And there's hundreds of
24 millions of dollars invested that these
25 developers are going to need to recover their

1 expenses.

2 Now, as far as the Salton Sea and
3 assisting in the restoration of the Salton Sea,
4 keep in mind that all of this energy that's
5 produced, all of the off-takers that purchase the
6 lithium, all of the associated businesses that
7 come along with it, from the trucking to rail to
8 possibly battery buildout, they all contribute to
9 the revenue of the State of California. And
10 someone mentioned that we all know who is
11 responsible for the Salton Sea.

12 And I'll just say this. Whenever there
13 was a need to move the water out of the imperial
14 valley, there was waves of regulatory folks that
15 got involved. And I'll just use the example of
16 mining the All-American Canal. It was being
17 challenged, it was tied up in court. Everything
18 come to a halt. And Congress added an amendment
19 to a very popular bill that had language in it,
20 notwithstanding any other provision of law, that
21 canal will be built. And the very next day, it
22 was dismissed. All the charges, all the
23 complaints was dismissed and the equipment
24 finished that job.

25 On the negotiations on the QSA, it was

1 being held up because of the impact on the Salton
2 Sea. And there was language that was put in to
3 protect the IID and the residents here in
4 Imperial County and the water district from the
5 restoration costs. Also the impacts that would
6 be created by the lowering of the shorelines and
7 so forth.

8 So as it was mentioned, those impacts
9 have been assigned and agreed to by those that
10 recover those impacts. And that is separate from
11 the lithium extraction recovery.

12 If there are impacts associated with
13 that, then we should (indiscernible) the industry
14 to handle any impacts that they're responsible
15 for. That's part of the cost of doing business.
16 But I think if we're not careful and you start
17 penciling into the bottom line -- and as Jonathan
18 mentioned, there is a threshold that they're
19 expected to be able to produce lithium within
20 that threshold, these all become additional
21 costs. It dries that number up.

22 But on the other hand, the production of
23 lithium, a successful program that we're
24 responsible to help set up, it will generate
25 revenue to this state. And I've been very happy

1 with the efforts that Governor Newsom has made to
2 meet the obligation of the restoration of the
3 Salton Sea and move it forward. The federal
4 government has some responsibility. They will
5 have property that's probably loaded in lithium
6 and possibly other minerals. And that may be
7 something to look at. But I look for them to be
8 an off-taker.

9 One of the bills that I'm watching very
10 close is one that Assemblyman Garcia is
11 sponsoring on a percentage of the lithium that
12 would need to be used in California. Now, I'm
13 very aware of the commerce clause in the
14 government, that's the authority of the federal
15 government. But there's also a provision for the
16 states to set certain criteria if it is to offset
17 costs of the production of -- whether it's a
18 product or whether it's produce, whether it's
19 minerals. And by adding that in, that again will
20 help revenue in the State of California. All of
21 that becomes part of a revenue stream for the
22 state to fulfill their obligations on the Salton
23 Sea. And we can't take that away. And I think
24 it would be unfair to our region if we put that
25 burden back on the region. The region has,

1 through the impacts of the water and so forth, we
2 have been hammered. We have been overlooked for
3 years.

4 In the development of the geothermal 40
5 years ago, there were some incentives that were
6 given and then pulled away by the courts. And it
7 made it very tough because the development at
8 that time was exploratory. It needed to succeed,
9 just like this lithium needs to succeed. And
10 once we turned that corner, it took about 30
11 years for geothermal because part of the
12 technology that they had to develop was different
13 alloys of metals that hold that brine, which is a
14 very, very tough source, very caustic, has to be
15 pumped back into the ground, and so forth. So
16 there's been a number -- I understand there's one
17 engineer has about 40 patents himself of
18 different improvements that have been made. So
19 we've got a leg up on that in moving forward with
20 the geothermal.

21 But this geothermal, there's no reason
22 why we can't expedite some of this and move it
23 forward and get the power flowing. There's a
24 need for the power right now. And as the
25 technology is completed on the research and

1 development, everything will be in place and the
2 brine (indiscernible) will be there. And I think
3 all the way around there is a co-benefit. And
4 from an environmental standpoint, I think that's
5 something that, yes, we need to be aware of it
6 and we need to make provisions for it and we need
7 to encourage it to be able to coexist with the
8 development of the geothermal power and the
9 lithium recovery.

10 And in the area of lithium, there's
11 improvements being made all the time. And I read
12 an article today of another mineral that they can
13 add to the lithium and extend the mileage in the
14 electric cars, also helping the storage of
15 energy. And that is another mineral that is
16 available in this same area that down the road we
17 have to get lithium booming and get it into the
18 marketplace. And when we talk about five years,
19 ten years or -- I think our leases and the
20 landowners and so forth, it will reflect the
21 benchmarks and requirements.

22 And that's something now that this
23 commission needs to be aware of. There are
24 benchmarks that's placed in these leases that
25 these developers have to meet. And it's a very,

1 very strict timeline. And we need to be
2 sensitive and aware of what these are so that we
3 don't put up delays or barriers that would cause
4 them to have to forfeit their lease or have it
5 assumed by someone else after they have spent
6 millions of dollars in the development and the
7 research and the preparation for the effort that
8 we're involved in.

9 CHAIR PAZ: Thank you. James, I think
10 you're bringing up a very good point. And as you
11 were speaking I had that same question. And
12 maybe that's something that we could add or
13 identify in future discussions, Terra, around
14 what those benchmarks are and what that threshold
15 that both James and Jonathan have referred to
16 when we're talking about there's a certain
17 threshold that will make lithium more viable in
18 terms of looking at the market and what it can
19 sustain. But thank you so much, James.

20 Terra, you're probably looking at the
21 time. It's 3:56 and there's a few other people
22 that I think wanted to comment on this section.

23 So, Mr. Hanks, do you want a final
24 thought on this before I hand it over to another
25 commissioner?

1 COMMISSIONER HANKS: Yeah. I want
2 everybody to be aware -- and I probably mentioned
3 this before -- what the benefits of geothermal is
4 to the community. I was a school superintendent
5 for 20 years in Calipatria. And we were able to
6 come in and replace our old, dilapidated
7 buildings. And it was built -- affordability of
8 it was based on the impact that geothermal had on
9 our tax base in that region. One of the core
10 socioeconomic areas in the State of California.
11 And the tax base without that was very minimal.
12 It ended up paying for 70 percent of the bonds
13 for the school. And they were also very involved
14 with our programs, our industrial arts programs,
15 our business classes. We had a wonderful welding
16 program where kids right out of high school had
17 their own welding apparatus and vehicles that
18 they had put together there at school. And they
19 were ready to go to work.

20 So I know of the positive benefits and
21 their contributions to the community. Thank you.

22 CHAIR PAZ: Thank you so much. Thank you
23 for that. I think I saw Rod's hand up before
24 Ryan. So, Rod, if you have -- do you still have
25 a comment before I call on Ryan?

1 COMMISSIONER COLWELL: Yeah. I think
2 Commissioner Hanks absolutely covered it well
3 there. I was just saying simple terms, you know,
4 furthering geothermal development was PAL
5 purchase agreements. I note that the CPUCs made
6 a move with the decommissioning of Diablo Canyon.
7 And for the commission and the audience, we could
8 -- the number-one geothermal resources are of
9 Imperial Valley could replace Diablo Canyon. So
10 I think PPAs is the big driver on the front end
11 and to finance these expensive projects.

12 Director Hanks or Commissioner Hanks
13 touched on -- you know, I think that the auto
14 industry with its charging network where you
15 charge your car overnight, geothermal is critical
16 to that because it's 24/7 as a renewable, not
17 just -- you know, the sun doesn't set on
18 geothermal. And grid and reliability. That's
19 all I had to add, Chair Paz. Thank you.

20 CHAIR PAZ: Thank you. Ryan?

21 VICE CHAIR KELLEY: I only wanted to say
22 I apologize for my tardiness. Events overtook
23 me. But I'm here and ready to participate.

24 CHAIR PAZ: Thank you. Welcome.

25 Terra, I'll hand it back to you.

1 TERRA WEEKS: Okay, great. So we're
2 approaching 4:00, which was our planned allocated
3 time for this item. We still have quite a few
4 topic areas to discuss. So, Chair Paz, I think I
5 would defer to you. If you want to keep going --
6 you know, I think we can keep going for a little
7 bit and still get all the administrative items on
8 the agenda completed before 5:00. Or we could
9 defer some of the remaining sections to the next
10 meeting, or we could actually defer the rest of
11 the administrative items and just keep going on
12 this until closer to 5:00.

13 CHAIR PAZ: I'm looking for my agenda.
14 Hold on.

15 TERRA WEEKS: I think we have Media and
16 Legislative updates after this. Elisabeth, I
17 don't know if you want to hop in if you have the
18 agenda in front of you.

19 CHAIR PAZ: I think we can keep going. I
20 have it in front of me. We have legislative
21 report discussions and then the determination of
22 the agenda topics and speakers for future
23 meetings. We can keep going maybe one more
24 depending. One or two more.

25 TERRA WEEKS: Okay, that sounds great.

1 Were there other comments on this then? I think
2 just thinking through how this revenue stream
3 kind of ties back into lithium will be a
4 conversation to be had. I've heard, I think it
5 was Commissioner Weisgall talk about the lithium
6 tail wagging the geothermal dog. So just kind of
7 thinking through things along those lines. You
8 know, what does that additional revenue stream
9 actually look like. And I think actually having
10 Commissioner Guzman Aceves' input on this, too.
11 You know, thinking about the rate-making process
12 or what it actually looks like from the utility
13 perspective. And I think having Commissioner
14 Hanks on this commission is really valuable. But
15 I just want to see if there are other comments.

16 It looks like Commissioner Olmedo.

17 COMMISSIONER OLMEDO: Yeah. Again, I'm
18 going to continue to drive on the message. The
19 region is very rich in its natural resources.
20 And you're going to hear me say it again and
21 again. The resources have been very poorly
22 distributed and this is an opportunity to
23 redistribute those resources, make the table much
24 larger. And I cannot thank Assemblymember
25 Eduardo Garcia enough for creating this first of

1 its kind here in our region commission to be able
2 to level the playing field for the region and for
3 all stakeholders, in particular the disadvantaged
4 communities which the wealth and the resources of
5 this valley have not reached them. And there's
6 no reason and no excuse that the valley is in the
7 conditions that it is. The wealth gap is
8 enormous. It's irresponsible. And we have to be
9 paying attention and supporting the development
10 moving forward. But responsible development,
11 equitable development. And you'll hear me repeat
12 those words until we create the model. And not
13 only for here, for the entire state, the entire
14 country, and the entire world perhaps. Thank
15 you.

16 TERRA WEEKS: Okay. So why don't we move
17 on to the next slide then, next topic. So this
18 is on market opportunities for lithium. There's
19 actually no additional language in the bill. So
20 this one is a pretty wide open topic. So I might
21 see if Commissioner Dolega is on and wants to
22 maybe kick off this discussion since you're on
23 the sub-body for this topic.

24 COMMISSIONER DOLEGA: Yeah, sure.
25 Obviously this is kind of wide open. Some videos

1 that -- maybe if we want to subdivide this, I
2 mean, the market opportunity for Lithium from a
3 global perspective is fairly huge given the EB
4 segment growth. We could divide this up into
5 regional opportunities or if we wanted to focus
6 on specific opportunities in North America and
7 what that would mean in terms of other challenges
8 in the space.

9 Sorry? Okay, sorry. I thought I heard
10 somebody chime in.

11 And that would open up other challenges
12 in terms of where that lithium could flow into
13 North America given the fact that currently there
14 are no cathode producers located here. So I
15 think Rod was mentioning earlier what that means
16 in terms of potential incentives to bring
17 additional businesses into the region or into
18 North America to be consumers of Lithium
19 directly. And so that would be potentially one
20 recommendation if we wanted to divide this into
21 more of a regional look instead of just a global
22 market for lithium.

23 The other thing that potentially this
24 body could look at is there is a host of third
25 party analysts out there that are studying the

1 total market, and there's forecasts for EB
2 penetration. So we can look at people like
3 Benchmark Minerals that have done a lot of work
4 with reports to the federal government on these
5 minerals. And, you know, they could be
6 potentially experts in the field in terms of
7 showing what the total addressable market for
8 lithium could be, especially as it relates to the
9 EB sector.

10 CHAIR PAZ: Thank you. Jonathan?

11 COMMISSIONER WEISGALL: I'm not sure what
12 we can -- I mean, I agree, Rod, I think those are
13 good points. I'm not sure we as a commission can
14 do -- we can't come up with any new ideas on
15 market opportunities. Benchmark minerals is --
16 they are the Cadillac. They are looking at
17 lithium prices every day. They're looking at
18 markets, they're looking at contracts.

19 I think the challenge for California --
20 you know, we need to make -- I think our job -- I
21 don't want to call us cheerleaders. Obviously
22 we've had a robust discussion about related
23 issues. But to the extent this commission does
24 get comfortable with all of the challenges and
25 barriers, I want to see us promoting domestic

1 production of lithium. That's a huge plus for
2 the Fords and General Motors of this world. And
3 not just U.S. companies.

4 I mean, there's an interesting article I
5 saw this morning about the upcoming elections in
6 Peru. And Peru actually does produce lithium,
7 and the recommendation from one of the financial
8 institutions about possibly pulling investments
9 in Peru because of potential nationalization of
10 the mining industry or exorbitant royalties. I
11 mean, you know, 40, 50 percent royalties which
12 essentially are nationalizing. So I think there
13 are some very important political things.

14 Ultimately what I'd like to see as a
15 recommendation, I want whoever is going to be the
16 governor of California to sponsor a reverse trade
17 mission to tout that California is now on the
18 map. I will tell you that in February, Governor
19 Sisolak of Nevada gave his state of the state
20 address, and he devoted some of his address to
21 Nevada's lithium potential. I'd like to see
22 Governor Newsom and other top state officials get
23 on board with their lithium goals. I think
24 that's the best we can do. We can't make any
25 more private sector market opportunities that

1 aren't already out there. You know, Tesla and
2 Ford and GM and batter manufacturers and off-
3 takers, you know, they know who they are. We
4 just need to make sure that Lithium Valley gets
5 on the map.

6 COMMISSIONER DOLEGA: Yeah. And I think
7 I was more so going in terms of if the commission
8 wanted to define how big the market opportunity
9 is for lithium and how the Valley could fit into
10 that. And just in terms of scope and size, we
11 could set some boundary conditions I guess or at
12 least some forecasts in terms of what the Valley
13 could provide in terms of North American
14 potential demand forecasts.

15 And so I don't think there's going to be
16 a shortage of off-takers or where this lithium
17 can go, to be honest, just given the size of the
18 market. But it just depends on -- and my kid all
19 of the sudden decided to start screaming in the
20 background, so that's good.

21 But I agree, getting lithium production
22 up and running is going to be the key. And also
23 supporting localized cathode production where
24 there can be a consumer of this lithium so we're
25 not exporting it is going to be key to getting

1 this developed in North America.

2 CHAIR PAZ: Jonathan, did you have
3 something else to add?

4 COMMISSIONER WEISGALL: Yeah, one more.

5 CHAIR PAZ: Go ahead.

6 COMMISSIONER WEISGALL: First of all,
7 clearly your child has some views on this, and I
8 think we may need to hear. You know, if he's got
9 something to contribute, I want to hear that.

10 Terra, I think of the things worth noting
11 is Lawrence Berkeley National Labs wants to work
12 on quantifying the amount of lithium in the
13 Salton Sea Known Geothermal Reservoir. I think
14 that's important at least to reference. And
15 we've made very clear as a company we would love
16 to support that in any way we can.

17 UC Riverside has opined that the Salton
18 Sea Known Geothermal Resource has the largest
19 lithium deposit in the world. It would be nice
20 to quantify it. So I think that falls under
21 market opportunities. The fact that Salton Sea
22 has at least a 75 if not 100-year supply of
23 lithium, if not longer I think is another huge
24 market opportunity. So I just wanted to flag
25 that.

1 CHAIR PAZ: Thank you. Luis?

2 COMMISSIONER OLMEDO: I just want to add
3 -- and I'm sorry, I walked away from my attention
4 here. I don't know if it was discussed already,
5 but it's important to recognize that while
6 there's supply and demand, market forces, policy
7 is a big factor also in determining increased
8 markets or new markets. And so I think that's
9 our task here, is to develop policy
10 recommendations. And those policies could have
11 an impact on new market opportunities for
12 lithium.

13 CHAIR PAZ: Thank you, Luis.

14 TERRA WEEKS: I have a question to pose
15 to the group. So from our perspective in Chair
16 Hochschild's office, we're getting contacted by a
17 lot of battery manufacturers and battery
18 component manufacturers interested in developing
19 facilities in California. And so I think it
20 sounds like we are it sounds like most likely
21 going to facilitate some kind of round table from
22 the Energy Commission side to discuss
23 opportunities. But I'm wondering if a similar
24 discussion would be of interest to this group as
25 part of a workshop potentially kind of bringing

1 in some more folks from various supply chain
2 components to just discuss opportunities. You
3 know, some of those who are already manufacturing
4 in California and what their experience has been,
5 and then maybe others who are interested.

6 COMMISSIONER WEISGALL: Great idea.

7 COMMISSIONER COLWELL: I agree, Terra. I
8 think that the interactions at the moment is
9 understanding the cost benefit to co-location, as
10 I mentioned before. So I think that would be
11 very, very helpful. And the numbers that are
12 being touted around by not simply bagging lithium
13 and moving it away, to actually collocating and
14 running a pipe through a wall is just a
15 tremendous savings for that industry. So I think
16 that would be very, very helpful.

17 CHAIR PAZ: Thank you. Jonathan?

18 COMMISSIONER WEISGALL: Yeah. I think
19 great idea. We've spoken to a couple of EB
20 manufacturers. And I think that having a
21 workshop like that under the auspices of the
22 government of the State of California lends more
23 credence and more support. So I think it's a
24 great idea. And we can go obviously beyond EB
25 manufacturers, as we've heard from others. So I

1 think it would make a lot of sense.

2 TERRA WEEKS: That sounds great. And
3 we'll look at the Bagley-Keene issues. You know,
4 I think if we could have all of you or some of
5 you participate in the energy commission
6 roundtable that we're talking about, that would
7 be fantastic. And then we can talk about hosting
8 I guess an additional discussion through one of
9 the workshops with the Lithium Valley Commission
10 itself.

11 Okay. Were there other comments on this
12 topic? Great. So moving right along, next
13 slide, please. Okay.

14 So this one kind of ties back to the
15 first topic, but my reading of it is it's a
16 little bit more grid-focused. And I do think
17 this is actually an area where the Energy
18 Commission can plug in here. But the topic is to
19 examine the potential benefits of and added value
20 to existing and new geothermal facilities and
21 areas that contain mineral-rich brines for the
22 state, Western Energy Grid, and the United
23 States, including but not limited to grid
24 stability, reliability, and resiliency.

25 So just looking back to see who is on the

1 sub-body for this one. It looks like
2 Commissioner Scott and Commissioner Hanks. And I
3 believe Commissioner Scott is not on, right? So,
4 Commissioner Hanks, do you want to kick off this
5 discussion?

6 COMMISSIONER HANKS: I think my comments
7 before kind of bled over into this. But I would
8 say this. Right now we need to put our full
9 concentration on lithium. But that brine is, as
10 it states here, is a mineral-rich brine. And I
11 think at some point in time as technology is
12 developed, it will extend much further than even
13 just lithium.

14 But if we develop sufficient geothermal
15 to get to the lithium development stage, we're
16 going to see thousands of megawatts fed into the
17 system on the grid. And I can't impress upon
18 everybody enough for them to know the batteries
19 that it's going to take to keep our system
20 resilient is going to be a very large number.
21 Just about everywhere where you see wind or
22 solar, you're going to see need for batteries.
23 And then beyond that, you're still going to need
24 -- can't get back to the inertia. And I really
25 need a technical person to explain the importance

1 of inertia into the grid.

2 But this -- you know, our task here is
3 lithium. But beyond that it's just mind-boggling
4 of the richness of the brines that it's going to
5 bring to this area.

6 But the door to that is going to be the
7 geothermal development and the lithium. And it
8 will open up the other doors to the development
9 of these other rich brines. And I don't want to
10 take us off the focus, but lithium needs its due.
11 Its time is now. We have markets needing the
12 lithium and we have off-takers looking in every
13 corner they can in this universe to find a
14 supply. And there's no better supply than right
15 here in Lithium Valley.

16 CHAIR PAZ: Thank you. Luis?

17 COMMISSIONER OLMEDO: Well, there's no
18 denying or argument in terms of the need for
19 stable, reliable energy. You know, we see as we
20 have a greater demand for -- or there's policy.
21 Again, going back to the market forces and policy
22 driving the demand for lithium, for renewable
23 energy. And it's sort of bittersweet to hear the
24 momentum around offshore wind because it's great
25 to see that, but the disadvantaged environmental

1 justice communities don't live on the coast. You
2 know? They live in areas like Coachella and
3 Imperial, the Central Valley, San Joaquin Valley
4 and many inner cities, oil producing areas. And
5 certainly we would like to see that this type of
6 energy succeeds and this mineral-rich brines that
7 gets handled in a way that it produces benefits,
8 and those benefits don't have an impact on the
9 local community. But far too often we've seen
10 the exploitation of natural resources and
11 disadvantaged areas leave a legacy of hazardous
12 conditions and health impacts.

13 So as we talk about the benefits, it's
14 important to always continually tie it to the
15 responsible operation, the responsibility of
16 being good stewards to the land, of the
17 environment, being good neighbors to the public.
18 And I just can't help but think that we have
19 energy production here that is a public entity,
20 and that's IID. And we have what appears to be a
21 very brittle infrastructure and it continues to
22 generate sources of revenues. And I haven't see,
23 you know, a resilience fund, an environmental
24 justice fund, a disadvantaged communities fund.

25 And so, again, those conversations need

1 to be tied together. Otherwise, we repeat
2 history over and over. We need to support the
3 development of industry. We need to support
4 innovation in terms of how we produce energy but
5 at the same time I ask the commissioners to
6 really consider that we continue to tie them
7 together, because I think that's how we're going
8 to succeed in this opportunity before us.

9 CHAIR PAZ: Now, on the topic of the
10 infrastructure, my understanding was that one of
11 the challenges to additional geothermal plants is
12 the transmission lines. So I would recommend --
13 and I don't know if it's in this chapter or if it
14 belongs in another chapter -- but that we do have
15 an analysis and understanding of our transmission
16 lines and whether they can support the growth.

17 The other question that I have that I
18 think we should look into is whether -- you know,
19 lithium development cannot happen without the
20 geothermal plants. And we've been talking or
21 referencing the potential capacity at the Salton
22 Sea, how many years. Well, how many geothermal
23 plants will it take so that we can reach those
24 capacities?

25 And again, I don't know -- at some point

1 we're going to be discussing goals. I don't know
2 what our goals are going to be throughout time.
3 But thinking about geothermal and lithium hand in
4 hand and what that timeline is going to look like
5 and what it's going to require so that we can
6 meet those goals that we set up is going to be an
7 important part of this analysis as well.

8 Jonathan?

9 COMMISSIONER WEISGALL: No, I'm just
10 saying we have stated publicly that our existing
11 geothermal plants, which are about 350 megawatts,
12 could support as much as 90,000 metric tons of
13 lithium. Greenfield development could support
14 another 700 megawatts of power which in turn
15 could produce about 200,000 additional tons.

16 Now, again, the concentrations of lithium
17 are not the same throughout the known geothermal
18 resource, but that's a ballpark idea. So we have
19 stated publicly that at least under leases that
20 our company has, we could go as high as 300,000
21 tons.

22 But your point is a very good one,
23 Silvia. I think that there is a need to at least
24 reference transmission challenges if there is to
25 be more geothermal development.

1 CHAIR PAZ: Thank you. Rod?

2 COMMISSIONER COLWELL: I think Jonathan
3 covered that. But basically for every hundred
4 megawatts of geothermal, new build geothermal,
5 that's equivalent to 40,000 tons per year of
6 (indiscernible) lithium hydroxide. So just as a
7 number -- and Jonathan is right. You know,
8 300,000 tons and we're in a similar capacity. So
9 every 100 megawatts that's procured from
10 California, the grid, the offtake markets is
11 really the driver, really the backbone to get
12 lithium underway, will produce 40,000 tons per
13 state. So it's directly related. Obviously, you
14 know, the tail is wagging the dog when it comes
15 to revenues, but certainly geothermal really is
16 and always will be the backbone to successful
17 lithium production.

18 CHAIR PAZ: Thank you for that. And I
19 appreciate your willingness to at least bring in
20 all these things in this report. Because when we
21 present it to the legislature, they're not going
22 to be experts in the field or have all the other
23 -- or be looking at many other reports. So to
24 the extent that some of this knowledge can
25 already be reflected here, I would highly

1 recommend that we put in as much as we can that
2 will be relevant to the legislature as we present
3 the report.

4 Frank?

5 COMMISSIONER RUIZ: Yeah. It seems that
6 geothermal will benefit big-time from lithium
7 recovery. And we are encouraged to see that
8 geothermal energy is a much cleaner energy and it
9 will be (indiscernible), perhaps more affordable.
10 And that's the question that I have in the area
11 about affordability. How can this benefit the
12 community at large? Especially with climate
13 change exacerbating the cost of cooling off their
14 homes, how will this have an impact or an
15 immediate impact to the nearby communities since
16 geothermal energy will be perhaps more affordable
17 and even more available to the region?

18 CHAIR PAZ: Thank you. Ryan?

19 VICE CHAIR KELLEY: Well, Frank, I'll
20 take the cue and I'll jump right into something
21 then.

22 So geothermal is the largest taxpaying
23 entity of private property within the county.
24 And as Jim mentioned, it's helped Calipatria
25 school almost make it to the goal line of being

1 self-sufficient without additional funding from
2 the State of California. The only school
3 district in Imperial County.

4 One of the things that I've already
5 started and shared with Silvia -- and I know it's
6 later on the agenda, but I'll just jump into it
7 because I'd like to get this into the
8 conversation. I've been looking at other
9 jurisdictions and county ordinances. And I've
10 written a draft and had a meeting within the
11 county on an ordinance on minerals. So a natural
12 resources ordinance. And we're talking about a
13 fee or a tax, a general tax on minerals produced
14 in this valley. And I know that Rod and Jonathan
15 are probably grinding their teeth at this moment,
16 but I think that once we get to talk about it a
17 little more, you may see where there is a mutual
18 benefit in it. The money raised through this
19 idea would go into percentages towards
20 infrastructure and to mitigation conservation of
21 the land.

22 Now, we are still looking into what our
23 jurisdiction is and the authority. California is
24 different, but I've seen models from Washington,
25 Nevada, Utah. And I think it is important. I

1 heard Luis talking about something about
2 royalties being promoted by Eddie. I haven't
3 read that yet, but that is a very good question.
4 Because royalties were shared on federal land
5 with the county at a greater share. And
6 California took that share and reduced the amount
7 that came to Imperial County. So I'm not sure
8 how that would actually filter down, to Frank's
9 question, to the local community.

10 And we would hope maybe that through the
11 commission or through an independent, faster
12 track to get this on the radar with the
13 legislature if that's the path to be able to give
14 us jurisdiction, the benefit for Cal Energy and
15 of CTR is that some of those conversations about
16 mitigation and infrastructure would be addressed
17 directly by this ordinance.

18 It wouldn't be an obligation anymore, Rod
19 or Jonathan, it would be based on volume, tons
20 produced, that there would be a fee attached to
21 that. And this is open for conversation. And
22 according to the Keene rules, I'm going to
23 probably only be able to talk to one of you about
24 this in person. But I think this is good.

25 And for Luis and Frank in regards to the

1 community and for how it would address the needs
2 of community needs and reflecting outreach and
3 support, this would also be putting money back
4 into the area. It would not be site-specific,
5 but it would be putting money back into the area.
6 It costs us a million dollars a mile to build a
7 road. Well, we're just talking about -- you
8 know, buildout for Jonathan, 700 potential
9 megawatts. That would be 14 powerplants just at
10 50 megawatt per plant. That's a lot of
11 infrastructure. Not power lines, but roads and
12 access to be able to get to those locations.

13 And as Rod knows, there are some roads
14 that are already failing in the area. So I'm
15 happy to share it with you. It's a draft. It's
16 open for comment. But I think it's mutually
17 beneficial because you are hearing what the
18 community-based groups are saying. You're
19 hearing what industry is saying. And I believe
20 that one thing that you haven't heard is that the
21 County of Imperial, although we do benefit from
22 the property tax and the leasehold improvement on
23 ground up there, we would not benefit very much
24 on new development on federal land. And if the
25 State of California, which we've advocated for,

1 whatever percentage, and the federal government
2 giving their royalties towards local development
3 and infrastructure, then there's another
4 conversation. But not hearing anybody respond to
5 those questions, we should take things in our own
6 hands. And that's where we're at.

7 So I'm bringing it to you, and I think it
8 would also ask for some allowances on CEQA to be
9 able to use this information to be able to share
10 in CEQA how certain mitigation efforts are being
11 addressed.

12 CHAIR PAZ: Thank you, Ryan, for sharing
13 that with all of the members. Are there any
14 comments? Jonathan?

15 COMMISSIONER WEISGALL: Look forward to
16 speaking with you, Ryan, and looking forward to -
17 - let me leave it at that.

18 VICE CHAIR KELLEY: Let me just add one
19 other thing. So we've had an internal
20 discussion. I've talked to Silvia about it and
21 with Terra and Elisabeth, and I can't remember
22 who else was on the call. But we will -- I'm
23 going to start my process of engagement and
24 development and we'll reach out and create a work
25 group and start bringing product back on this

1 discussion.

2 And I am encouraging all of you that have
3 something that's going to be more of a
4 deliverable item that we can participate in, that
5 you start. You start working in that way rather
6 than having more conversations about what the
7 potential is and what the great things are, let's
8 start moving this thing along. And I challenge
9 all of you to make it happen.

10 CHAIR PAZ: Thank you. Rod, did you have
11 something?

12 COMMISSIONER COLWELL: I look forward to
13 catching up, Ryan, in the next week or so. I'll
14 reach out separately. Cheers.

15 VICE CHAIR KELLEY: Cheers.

16 CHAIR PAZ: Thank you. If there are no
17 more comments, I think, Terra, maybe this is a
18 good spot to pause until the next meeting.

19 Oh, I see Luis's hand up. Luis?

20 COMMISSIONER OLMEDO: Is there time for a
21 quick comment on this?

22 CHAIR PAZ: Yes.

23 COMMISSIONER OLMEDO: I was just going to
24 agree with Commissioner Kelley. We need to --
25 and I brought this up. State lands or -- in this

1 case state lands opening for lithium -- I'm
2 sorry, for geothermal exploration. And
3 certainly, you know, their business models having
4 these royalties go back to their states -- for
5 the state to use, you know, in their pension
6 funds or others. If I recall correctly, reading
7 that information in their plans. I believe that
8 those -- you know, I don't know if it's
9 necessarily say don't build on state or federal,
10 but I think we have to make the best land use
11 decisions. But certainly assure that the state
12 and the federal government operate by the same
13 rules. You know? They're opening their land and
14 our communities to making sure those benefits
15 stay in our community. And certainly whatever
16 share goes to state and federal. And certainly
17 they have a right to that, too. But just to
18 take, you know, off the top the benefits that
19 should stay here. Certainly not in support. And
20 I agree with Commissioner Kelley on his comments.

21 CHAIR PAZ: Thank you. I know we are
22 running out of time, and I see a couple hands.
23 So I will ask you, again, to briefly get to the
24 point so we can move on. We still have a couple
25 items we would like to get to.

1 James and then Jonathan.

2 COMMISSIONER HANKS: Did you say James?

3 CHAIR PAZ: Yes, please.

4 COMMISSIONER HANKS: Yeah. I would just
5 like to add to the comment of Ryan. I think one
6 of the things that we have to look at for the
7 local community is not just the resource, but the
8 end product. It's very critical that the
9 ancillary businesses be located here. And that's
10 where the value to the county and to our
11 different programs that come from the cell stacks
12 and so forth on the end project from these
13 resources.

14 I think, again, I get back to what is the
15 benchmark that we have set. If it's \$4,000 per
16 ton, then we have to keep it under that and we
17 have to look at the other issues. You can't just
18 look at it as a resource coming out, a raw
19 resource. Because there's all types of costs in
20 producing that. But it's going to be very
21 important that whether it's development of the
22 batteries or whatever product that comes out,
23 that that be looked at so that you can keep the
24 cost of the recovery within the guidelines.
25 Thank you.

1 VICE CHAIR KELLEY: I would like to offer
2 that what Jim said is absolutely true. And our
3 intent is that if the material is shipped out of
4 this county, that natural resource, that the fee
5 is higher than if the material is kept within the
6 county and a value-add finished product is
7 produced in Imperial County. And that's open for
8 conversation, too. But we want to encourage that
9 manufacturing, that finished product to occur in
10 the same place it was drawn from.

11 COMMISSIONER HANKS: Agreed.

12 CHAIR PAZ: Thank you. Jonathan?

13 COMMISSIONER WEISGALL: This is hardly
14 the place, three hours into the meeting, to talk
15 about royalty payments to Salton Sea, restoration
16 royalty payments to Imperial County, taxes to
17 others.

18 I will just say that as a company as we
19 look forward to lithium production and hundreds
20 and hundreds of high paying jobs, we are
21 competing against Chile, Argentina, China, and
22 Australia. Those are pretty hard companies to
23 compete against, especially when you're talking
24 about raw commodities. If we can't produce
25 lithium on a cost-effective basis, we're wasting

1 our time, period. Thank you.

2 CHAIR PAZ: Thank you, Jonathan. And I
3 want to mention that we are going to have
4 difficult conversations in this commission,
5 right? And it doesn't mean that the way
6 sometimes things are presented are going to be
7 the way in which we end. But it's important for
8 all of us to be able to express both where we're
9 coming from and ultimately believe that we're all
10 coming from the same place, that we all want to
11 achieve something that's good and lead the
12 process of lithium development in the best way
13 possible, both for the communities, for the
14 state, for the nation globally with the industry
15 as partners.

16 So I just want to encourage us to be as
17 open to hearing each other's sides. We all come
18 from a different perspective. But I have no
19 doubt that we're going to be able to reach a good
20 end product at the end. And that's not going to
21 happen without having difficult conversations.

22 So, again, I want to thank Ryan for
23 bringing this topic up and also for the
24 willingness of everyone else to listen, express
25 the areas of discomfort, and then be open to a

1 discussion about how can we make this a win-win
2 for everybody. That's the only way I think we're
3 going to make progress. So, again, thank you.
4 And I'll hand it back to Terra, but I don't think
5 we have the time to finish all of the discussion
6 on the sub-topics.

7 So, Terra, do you want to tell us sort of
8 what to look forward or how this is going to
9 continue?

10 TERRA WEEKS: Yeah. First I just want to
11 say thanks for this discussion. I think we got a
12 lot of insight into thinking through the outline.
13 We do have three more topics. So I guess we'll
14 just continue this at the next meeting. So we'll
15 talk about the technical and economic challenges,
16 looking at different methods of lithium
17 extraction and how the Salton Sea would compare
18 to traditional methods. And then looking at
19 potential economic and environmental impacts.
20 And that will include the workforce conversation,
21 which I think will be a big topic, too. So I
22 think we've made it pretty far in this meeting.
23 But we'll just move those topics to the next
24 meeting.

25 So with that, Chair Paz, I'll hand it

1 back to you to go through -- I guess we'll
2 recommend that we defer the media and legislative
3 updates to the next meeting, but we can still
4 have the discussion around agenda items for the
5 next meeting. And then we would like to still do
6 a public comment period.

7 CHAIR PAZ: Yes, that's perfect. And I
8 believe there is a public comment just on what
9 we've been discussing as well. So, Elisabeth,
10 I'll hand it over to you to open up the
11 discussion for public comment.

12 MS. DE JONG: Thank you so much. So as
13 we move into public comment, if you are joining
14 us by Zoom on the computer, please use the Raise
15 Hand feature. If you've called in, please dial
16 *9 to raise your hand and *6 to unmute your phone
17 line. First we'll go to those hands raised in
18 the Zoom application, then the phones if there
19 are any. And then if there are written comments
20 that we've received in Q&A.

21 So I see a hand raised. It says T-R-U-N-
22 -G-E. I've gone ahead and allowed you to talk.
23 You should be able to unmute yourself.

24 Okay, while we wait for that listener, I
25 do want to give -- there was one other hand

1 raised by Orlando Foote. I have gone ahead and
2 given you the permission to speak as well, if you
3 want to unmute yourself.

4 ORLANDO FOOTE: Can you hear me?

5 MS. DE JONG: We can, yes.

6 ORLANDO FOOTE: Very good. A couple of
7 things. Number one, comments that have been made
8 in particular by Jonathan Weisgall as well by Jim
9 Hanks are very well taken. The treasure here is
10 truly the geothermal production itself. And the
11 other things that are related to it have kind of
12 come and gone.

13 Lithium I think it's fair to say is
14 generally accepted to be the handmaiden of
15 geothermal. But we still have to recognize that
16 the pricing of geothermal is really what drives
17 the entire process. And in particular, the
18 comment that geothermal has to stay competitive
19 from a pricing standpoint is essential.

20 A perfect example of this is the
21 difficulties that have been experienced by
22 geothermal by being subordinated to solar
23 production in terms of the taxing activities of
24 local government. They were hung out to dry in
25 that regard.

1 But I just want to emphasize based on my
2 own experience and also negotiating geothermal
3 and mineral extraction leases for many number of
4 people for a long period of time, including IID
5 for that matter, that geothermal is truly the
6 core industry other than agriculture that needs
7 to be -- needs to receive as much care,
8 attention, and support as possible. That's it.

9 MS. DE JONG: Thank you so much. I
10 wanted to check in real quick -- sorry, I can't
11 tell what your name is, but it says T-R-U-N-G-E.
12 If you are able to unmute yourself, please speak.

13 Okay, so then --

14 MARIELA: Hello?

15 MS. DE JONG: Yes. If you want to go
16 ahead and make your comment.

17 MARIELA: Oh, hello, everyone. I don't
18 know if that's the correct person. I'm Mariela.
19 I don't think I'm the T-N-U.

20 MS. DE JONG: Oh no, please go ahead
21 though.

22 MARIELA: Okay, thank you. Thank you,
23 Elisabeth. I am with leadership counsel. And my
24 comment is based on the conversation that
25 happened in the very beginning of this section.

1 I just wanted to bring to this group the
2 experiences that we've had with the community.

3 The community has been very interested in
4 learning about the future of lithium in the
5 Salton Sea. We have actually received a lot of
6 questions on this topic and community coming to
7 us wanting to get involved. In our most recent
8 community meeting, they actually expressed their
9 interest in attending these commission meetings.
10 However, they were not accessible to them because
11 of language but also time.

12 So I'm glad to know that you guys are
13 working with CSE, which I think I heard earlier,
14 to provide translation. But if there's a way to
15 also make it time-accessible, that would also be
16 great. Thank you.

17 MS. DE JONG: Thank you for your
18 comments. Without seeing other hands raised,
19 I'll turn quickly to the written comments that we
20 received in Q&A. And this one was submitted by
21 Michael Marsden in regards to the incentive item.

22 "Time is often more important than money
23 incentives. To accelerate the regulatory
24 approval times would be a tremendous incentive,
25 added incentive of fast regulatory approval that

1 would shorten the development time." And then a
2 follow-up that just says, "Time is often more
3 important than money".

4 And we have another several comments here
5 from Victor Beas. It says, "I applaud the way
6 this commission is constituted, very balanced in
7 its representation. I think it is a great step
8 forward that the California plans and the Biden
9 Administration seeks to promote the use of
10 electronic vehicles, but we must be sure that it
11 is done the right way for the benefit of all, not
12 just private industry.

13 "The legislative subcommittee where Mr.
14 Weisgall, who represents a company that is not
15 only involved in energy, but in real estate
16 business around the Salton Sea, looks like a
17 (indiscernible) business, or the incentive
18 subcommittee with Mr. Colwell seems very
19 strategic for the industry. That is why the work
20 of Mr. Soto and Ms. Guzman is key.

21 "Inappropriate CEQA exceptions should not
22 be allowed. Tax avoidance incentives, tax
23 credits for industry (indiscernible) that they
24 generate an industry that benefits the
25 environment. We need taxes to directly benefit

1 the communities around the Salton Sea.”

2 Another part of this comment says, “We
3 need the community to know what is going on in
4 their back yards. We need a local production and
5 supply chain that benefits both the industry and
6 the community on a permanent basis, not just
7 generating hundreds of thousands of temporary
8 construction jobs that after a couple years will
9 be unemployed. I believe that together, the
10 community and industry can do great things to
11 make a win-win.”

12 And there was one final thought on there
13 in support of the Spanish translation.

14 Okay. So let me really quickly turn to
15 see if there are any additional hands raised. I
16 don't see any. Okay. We are all done with the
17 public comment for this report discussion. We
18 can go on to the future meetings topic. Chair
19 Paz, if you'd like to kick us off.

20 CHAIR PAZ: I was speaking and I was on
21 mute. I will borrow from Vice Chair Kelley's
22 comments around using the next agendas to start
23 bringing things forward that will help us move
24 and shape the activities of this commission. So
25 this is an opportunity again for us to start

1 brainstorming where are we ready to start and how
2 can we start scheduling those deeper
3 conversations and start producing products, you
4 know, drafts, things of that nature.

5 So with that, I am open to any ideas and
6 recommendations of where we might -- where do we
7 want to be by the next meeting? Rod?

8 COMMISSIONER COLWELL: Yes. Chair Paz,
9 as I proposed earlier, with your okay or the
10 commission's okay, we can put together a high-
11 level -- you know, there where Lithium Valley,
12 what it will visually look in five to ten years.
13 Development timeline of a successful Lithium
14 Valley basically in some sort of Gann chart, the
15 clean energy and auto hub visually and the
16 strategy around train and maintain clean energy
17 jobs. I think one of the previous comments
18 about, unlike solar, this industry will beyond
19 just construction maintain a very long workforce.

20 So we can visualize that if that's
21 appropriate.

22 CHAIR PAZ: Thank you, Rob. Luis?

23 COMMISSIONER OLMEDO: I assume we have a
24 technical writer. But is that -- am I to assume
25 that correctly? And the committees will all have

1 a technical writer?

2 CHAIR PAZ: Terra, can you answer the
3 question about how the writing and the support
4 that the CEC is going to be providing as we
5 approach each of the subtopics?

6 TERRA WEEKS: Yeah. So the framework
7 report -- what is it called? The report
8 development framework document that we sent out
9 ahead of this meeting should provide some clarity
10 on that. But essentially we are assembling a
11 team on the energy omission side to provide
12 technical writing expertise. So we will help you
13 write the report. But just to be clear, we'll
14 write it with your guidance. You know? So I
15 think we're really trying to not impose our own
16 views as the Energy Commission. This is your
17 report. So we are here to support you and we'll
18 actually write up the sections for your review.
19 But just want to make sure that we're capturing
20 your input and discussions.

21 And so just on the point around the next
22 meeting. So I think if it's okay, we'll continue
23 this conversation, review those last three
24 topics.

25 I think we probably won't have a fleshed-

1 out outline for review until we finish that
2 discussion. So I think that might be getting
3 bumped one more month. But I think it would be
4 helpful for us too to start thinking about
5 workshops. And so we talked about each sub-body
6 kind of coordinating one, possibly two workshops.
7 So that might be another suggestion for
8 discussion.

9 COMMISSIONER OLMEDO: Just for clarity,
10 may I, Madam Chair?

11 CHAIR PAZ: Go ahead.

12 COMMISSIONER OLMEDO: So was the answer
13 yes, we have a technical writer or we don't have
14 a technical writer? I guess that was my -- I
15 appreciate, Terra, the Energy Commission's
16 support and staff support. The role of a
17 technical writer is a very specific trade and
18 many times is an independent facilitator that
19 comes with a background of both technical writing
20 and also within those themes often either the
21 capacity lives in one person or a team where
22 there's conflict resolution as well to assure
23 that it's not just about taking notes and
24 writing, but it's about facilitating the dialogue
25 and then assuring that that's getting put in a

1 document in a well-facilitated, well-balanced
2 manner. Is that the kind of support we're going
3 to be getting from the Commission staff?

4 TERRA WEEKS: Yeah. So we have a number
5 of technical writers. We don't have unlimited
6 resources, but we are assembling a small team.
7 It looks like we'll have one staff who is a PhD.
8 He is very technical, has written a lot of
9 reports. I've done quite a bit of technical
10 writing myself. And then we'll have other
11 subject matter experts from the commission help
12 develop certain sections. So we'll have folks
13 from our R&D team who are really familiar with
14 battery manufacturing and battery supply chains,
15 you know, assist with that chapter. We'll have
16 folks from our fields and transportation division
17 weigh in as well. And then as needed, we can
18 pull in some folks from our Energy Assessment
19 Division that's doing long-term electric grid
20 planning. So kind of thinking through some
21 aspects around geothermal benefits and actual
22 grid impacts. So things along those lines.

23 That being said, we don't have specific
24 expertise in Lithium Valley per se since it's a
25 new topic. And if there is specific quantitative

1 information or analyses that you would like to be
2 done, I think we would need to talk about
3 bringing in a consultant in thinking through
4 potential resource streams to support that.

5 So we are assembling a team of technical
6 writers essentially to help with this project.
7 But if there's specific analyses that you're
8 looking for that we may not be able to provide,
9 we can have that conversation and think through
10 options.

11 COMMISSIONER OLMEDO: Thank you, Tara.
12 Madam Chair, I'd like to recommend to the
13 commission members and the Energy Commission that
14 I think we will need the support of a moderator,
15 of a conflict resolution type of consultant, you
16 know, with the level of leadership that's in this
17 commission. I think we all can use a little bit
18 of that if we're eating up too much space or
19 things just become difficult to move those types
20 of facilitation. It would help us be more
21 successful. I have seen it and I'm sure all of
22 you participate in many of these endeavors. I
23 have never seen it where we've been able to be
24 successful without that type of expertise in the
25 room. Thank you.

1 CHAIR PAZ: Thank you, Luis. And you
2 bring a good point. These are conversations that
3 I have raised to the CEC staff about having
4 somebody who could facilitate in those resources.
5 And really I think, Terra, we're listening to
6 Luis. And where I'm coming from is we wouldn't
7 want to put also like the CEC in a position where
8 you are having to facilitate and negotiate and
9 maybe feel uncomfortable because you are
10 representing the CEC and not -- you know,
11 uncomfortable not because you're not, but
12 uncomfortable of not being seen neutral. And I
13 think that's where Luis is coming from. And as
14 you heard, there are different topics that are
15 going to make some of us more or less passionate,
16 more or less comfortable discussing. And having
17 somebody who can be neutral, who can help us get
18 to a resolution, compromise maybe even on how
19 this commission is going to be moving forward is
20 needed I believe as well.

21 So it is -- and this is probably not some
22 that the Commission can tell us what to do. But
23 maybe for us as the Lithium Valley Commission, it
24 is budget time. And if there is a request that
25 we need to make, I think we need to move on it

1 quickly. Maybe, I don't know, through
2 Assemblymember Garcia's office or others. But
3 that's a thought. I think if that's how this
4 commission feels, we do need to put in a request
5 fairly quickly.

6 And I see Ryan and then James.

7 VICE CHAIR RYAN KELLEY: I was just
8 wondering. So I know that conversation, Silvia,
9 you had brought that up already. And I was under
10 the impression that that was a nonstarter. So I
11 support it if there is some kind of staff to help
12 with the work groups. That's fine. I just would
13 rather have an answer quickly than later.

14 CHAIR PAZ: Correct. James?

15 COMMISSIONER HANKS: Yes. On
16 determination of agenda topics and presentation,
17 I think now might be a good time if we could get
18 our geothermal experts to give us an indication
19 about how many megawatts would be needed from say
20 a 49.9 megawatt generator for the lithium
21 recovery and whatever parasitic load that they
22 may need with the geothermal. And also if they
23 could kind of give us a rule of thumb about how
24 much water they're going to need, I think that
25 would be good information. And take one more

1 maybe estimated number of employees that would be
2 associated with a 49.9 megawatt geothermal and
3 the associated recovery of lithium with it.

4 Thank you.

5 CHAIR PAZ: Thank you. Any other
6 comments?

7 Okay, so it's looking like for the next
8 meeting, we will finish doing our deep dive
9 conversation on each of the sub-topics. And
10 there are some potential (indiscernible)
11 information, I don't know if it's a workshop, but
12 the things that both Rod and James brought up I
13 think are -- it's already information that's
14 going to be helpful for us to capture in the
15 report. So to the extent that we can start
16 capturing and have someone drafting and capturing
17 all of that. I just wouldn't want to jump into
18 it if we're not ready. So maybe that's a
19 conversation that can happen in the planning of
20 the agenda for the next meeting with Elisabeth
21 and Terra and the CEC staff just to make sure
22 that, again, we are ready and that these
23 conversations are now leading to the creation of
24 some material that is going to be useful for all
25 of us.

1 And if there is no objection from anybody
2 in the commission, I would like to then proceed
3 on having a conversation both with Chair
4 Hochschild and with Assemblymember Garcia's
5 office around the topic of resourcing the
6 commission with a consultant that can help us
7 both with the technical writing, but the
8 facilitation of the conversations. Okay. All
9 right. I think we are ready then for -- I think
10 there is a public comment. So the public comment
11 will be around the determination of future
12 agendas. Elisabeth?

13 MS. DE JONG: Yes, thank you. So if you
14 are joining us by Zoom on the computer, please
15 use the Raise Hand feature. And if you've called
16 in, please dial *9 to raise your hand and then *6
17 to unmute your phone line. First we'll go to
18 those hands raised in the Zoom application and
19 then the phones. And I do want to point out that
20 immediately after this we would go into a general
21 public comment period as well. So there is a
22 good amount of opportunity here.

23 I see a hand raised from Orlando Foote.
24 You should be able to unmute yourself.

25 ORLANDO FOOTE: Can you hear me?

1 MS. DE JONG: Yes.

2 ORLANDO FOOTE: Okay. One final comment
3 or suggestion with regard to the dispute
4 resolution. It kind of jumped out at me. But it
5 seemed to me one thing you might want to
6 seriously consider is hiring somebody who is a
7 professional alternate dispute resolution
8 mediator or someone with a background. And I
9 don't want to in any way diss the CEC, but I
10 would suggest that it probably should be somebody
11 other than an ALJ from the commission. Probably
12 somebody maybe in the private sector that is
13 experienced in this area. But I can certainly
14 see a vast potential for disputes from a
15 philosophical, political perspective, just
16 completely disregarding the economic components.

17 So I would encourage you to seek out an
18 ADR if not from the -- perhaps from an
19 independent public source or even from the
20 private sector. Okay? That's it.

21 MS. DE JONG: Thank you. All right. I
22 don't currently see any other hands raised.
23 Let's check for any written comments. I think
24 that's good.

25 So we will just glide right into the next

1 just general public comment period. And this is
2 open for any public comments not pertaining to a
3 particular agenda item. So please go ahead and
4 use that Raise Hand feature either in the Zoom
5 app or by dialing *9.

6 Chair Paz, I'm not seeing any public
7 comments. So would you like to move to adjourn?

8 CHAIR PAZ: Yes. So thank you,
9 everybody. Great discussion. And, yes, I have a
10 motion. And I don't know if we need a second,
11 but the meeting is adjourned at 5:07.

12 (Off the record at 5:07 p.m.)

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CERTIFICATE OF REPORTER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

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IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of July, 2021.



MARTHA L. NELSON, CERT**367

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Myra Severtson
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