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IID Letter of Support to Biden Administration for CTR Lithium & Power Project

Additional submitted attachment is included below.



September 7, 2021

The Honorable Joseph R. Biden President The White House 1600 Pennsylvania Avenue, N.W. Washington, D.C. 20500

RE: Support for Controlled Thermal Resources project

Dear President Biden:

I am writing you today on behalf of the Imperial Irrigation District (IID) headquartered in Imperial, California. The IID provides reliable, efficient and affordably priced water and energy service to the communities it serves in Southern California. I bring to your attention today a project of vital importance to the IID, California and the United States.

The Salton Sea Geothermal Field in Southern California is the largest known geothermal resource in the world. It can provide much needed clean energy to local communities and is a source of numerous critical minerals, including battery-grade lithium, an essential component for electric vehicles and energy storage. You and your Administration have spoken passionately about the need to improve our domestic sources of critical minerals like those located at the Salton Sea.

Heated brine that runs beneath the surface of the Salton Sea Geothermal Field is brought to the surface where the steam is separated from the brine and produces clean energy. The brine and steam are then processed in a minerals facility co-located with the clean power facility to produce lithium products. The brine and steam are reinjected into the earth recharging the renewable cycle. There are a number of other important minerals that can be similarly produced from the brine, including potassium, zinc, manganese, iron, cesium, strontium, rubidium and others.

Over the next ten years, lithium-ion batteries and energy storage systems will power our vehicles, cities and countries around the world. Demand for lithium is expected to surge to some two million tons per year by 2030. The world could be facing critical supply deficits for battery-grade lithium as early as 2022. Even without this increased demand, the United States is currently dependent on China for a large and growing percentage of our lithium ion batteries.

Controlled Thermal Resources (CTR) has its United States headquarters in Imperial, California. CTR's leadership team has successfully developed and managed world-scale renewable energy projects in the Salton Sea region for over 25 years. CTR proposes to build

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the Hell's Kitchen Lithium and Power project in the Salton Sea Geothermal Field. In its first stage, the project will produce 49.9 megawatts of clean energy per year, and 20,000 tons of lithium carbonate equivalent each year as well. When the project is completed, CTR estimates it will have the capacity to produce 1,100 megawatts of power and 300,000 tonnes of lithium carbonate equivalent per year.

The project will produce clean energy, much needed domestically sourced battery grade lithium and will do so in an environmentally sound way. With the creation of good paying jobs, this clean energy/lithium project will have a vital economic impact on the Imperial Valley, historically one of the poorest communities in California where unemployment rates range between 16-25% annually.

The beneficial environmental effects of this project cannot be overstated. Clean energy is used to provide an essential battery ingredient needed to move our country beyond internal combustion transportation. CTR is also acting responsibly to minimize the environmental impacts of this development thus answering community concerns. CTR is fully aware of your Administration's strong position supporting those concerned with safeguarding the environment.

IID's confidence in CTR's abilities, and this project's capacity to provide clean power for Southern California, is so great that it entered into a 25-year Power Purchase Agreement with CTR, which underpins the development and financing of their first project. The first stage of CTR's Hell's Kitchen project is projected to begin producing lithium in 2024, which will facilitate the goal by General Motors (GM) to make its entire fleet of light-duty vehicles zero emissions by 2035. We understand GM has invested with CTR to promote the planned development.

If CTR is going to produce clean energy for IID and lithium for GM and other auto manufacturers by 2024, it must navigate the federal and state permitting processes rapidly. They will need the help of your Administration to ensure that the federal permitting process does not delay the beginning of construction of this important facility. This project provides the opportunity to change the game in the areas of clean energy and domestic supplies of critical minerals. It is crucial that we move it promptly through permitting to construction.

In closing, the IID Board is committed to prioritizing this important project and we look forward to working with both CTR and your Administration to ensure its success. Should you have any questions, please contact Henry Martinez, General Manager, at ebmartinez@iid.com or 760-339-9249.

Sincerely,

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James C. Hanks Board President