

**DOCKETED**

<b>Docket Number:</b>	20-LITHIUM-01
<b>Project Title:</b>	Lithium Valley Commission
<b>TN #:</b>	248454
<b>Document Title:</b>	Meeting Action Minutes for November 17, 2022
<b>Description:</b>	Meeting Action Minutes for November 17, 2022 Lithium Valley Commission Meeting
<b>Filer:</b>	Jordan Grimm
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# **Lithium Valley Commission Meeting Action Minutes – November 17, 2022**

The Lithium Valley Commission meeting was called to order on November 17, 2022, at 1:10 p.m. by Lithium Valley Commission Chair Silvia Paz. The meeting adjourned at 5:41 p.m.

Remote Location:

- Imperial Valley College, Imperial, CA

Remote Location:

- Zoom

## **Attendance: Lithium Valley Commissioners**

- Steve Castaneda (arrived at 3:22 p.m. and left at 5:32 p.m.)
- Roderic Dolega
- James C. Hanks
- Ryan Kelley (left at 5:35 p.m.)
- Luis Olmedo
- Silvia Paz
- Alice Reynolds (arrived at 3:32 p.m.)
- Frank Ruiz
- Jonathan Weisgall
  
- Commissioners Rod Colwell, Miranda Flores, Arthur Lopez, Manfred Scott, and Thomas Soto were not in attendance.

## **Presentations**

A compiled set of the presentations identified below has been docketed and can be found here: <https://efiling.energy.ca.gov/GetDocument.aspx?tn=247141>

## **Discussion and Voting on the Draft Report to the Legislature**

Lisa Ballin with the Consensus and Collaboration Program at Sacramento State facilitated a discussion with the Commissioners on the proposed consolidated recommendations of the Draft Report to the Legislature, which reflected their input from the October 31, 2022 Commission meeting.

- Each Commissioner in attendance shared feedback on the Draft Report revisions focusing on the proposed consolidated report recommendations.
- Many motions were made and voted on by roll call vote to either adopt, adopt with modifications, or reject each recommendation. Pursuant to the rules applied to the Lithium Valley Commission, motions require at least 8 supportive votes to be approved. The recommendations as written in the table reflects the outcomes of all motions.

**Table 1: Recommendations Adopted by the Commission on November 17, 2022**

Item	Statutory Topics	Recommendation	Action Taken
<b>Permitting</b>			
1.	<ul style="list-style-type: none"> <li>• Market Opportunities</li> <li>• Legislative or Regulatory Changes</li> </ul>	Establish a Lithium Valley priority permitting process that includes additional resources for agency action on applications for geothermal, DLE, and related manufacturing, production, or assembly projects identified by the state as essential to the development and growth of Lithium Valley.	<p><b>Vote: Yes = 9, No = 0; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Hanks, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: none</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>
<b>Transmission Planning and Investment</b>			
2.	<ul style="list-style-type: none"> <li>• Geothermal Power/Lithium Recovery</li> <li>• Potential Benefits re: Geothermal Facilities/ Grid Stability</li> </ul>	Accelerate state planning for investment and upgrades in transmission for geothermal power plants in Imperial Valley to be online in 2024 and over the next decade.	<p><b>Vote: Yes = 9, No = 0; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Hanks, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: none</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>

Item	Statutory Topics	Recommendation	Action Taken
<b>Economic Development and Incentivizing Investment</b>			
3.	<ul style="list-style-type: none"> <li>Opportunities for Incentives/ Investments</li> </ul>	<p>Establish the Southeast California Economic Zone, which includes Imperial County and Eastern Coachella and Palo Verde Valleys. This regional economic zone should be recognized by federal, state, and local governments, and eligible to compete for funding and investments.</p> <p>The goals of the regional economic zone should balance representation from labor, business, community, government, Tribes, and other stakeholders. With respect to lithium recovery, investments should be prioritized in the communities closest to geothermal power plants and DLE facilities. Incentives should be provided for direct DLE development, and indirect development, and include incentives for childcare, research and development, and construction and non-construction apprenticeships.</p> <p>Elements of the zone might include tariff relief, credits or incentives for corporate investments, credits for education investment in local workforce and childcare, and research and development, with benefits tied to community benefit agreements, project labor and maintenance agreements, and state-certified apprenticeship and pre-apprenticeship opportunities, and Tribal consultation. The elements of the zone could include, but are not limited to:</p> <ul style="list-style-type: none"> <li>Special Economic Zone. Tariff relief for Foreign Direct Investment in the zone (component and technology imports for finished goods manufacturing in the zone). Reducing tariff costs for importing component parts for at least 5 years will allow time to domestically source or create component source in the United States)</li> <li>Corporate Tax Relief. Reduce the Federal and State Corporate Tax rate for development within the zone to at least 10 years.</li> <li>Education Incentives – In-State Tuition for Employees. Provide employees and household members of Development Zone Companies in-state tuition without residency time requirement for a term of 10 years. Employees must live and work in the zone.</li> <li>Enterprise Project. Provide Employment sales tax credit of \$5,000 per Full-Time Equivalency per year for capital projects greater than \$150,000,000 with a maximum number of 500 FTE per corporate applicant for a term of 10 years.</li> </ul>	<p><b>Vote: Yes = 8, No = 1; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: Commissioner Hanks</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>

Item	Statutory Topics	Recommendation	Action Taken
4.	<ul style="list-style-type: none"> <li>• Market Opportunities</li> <li>• Opportunities for Incentives/ Investments</li> <li>• Overcoming Technical and Economic Challenges</li> </ul>	<p>The State should increase funding – and identify alternative funding sources — for research and development, start-up companies, and expansion of lithium battery and battery component manufacturing and recycling, especially cathode production using lithium produced through environmentally preferable methods.</p>	<p><b>Vote: Yes = 9, No = 0; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Hanks, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: none</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>
5.	<ul style="list-style-type: none"> <li>• Overcoming Technical and Economic Challenges</li> <li>• Market Opportunities</li> <li>• Potential Economic Impacts</li> </ul>	<p>Federal, state, and local governments should foster collaboration across the supply chain of lithium related technologies by creating networks, meetings, and other forums that regularly bring business, research, Tribes, communities, and government agencies together to identify short- and long-term economic opportunities.</p>	<p><b>Vote: Yes = 9, No = 0; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Hanks, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: none</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>
6.	<ul style="list-style-type: none"> <li>• Opportunities for Incentives/ Investments</li> <li>• Market Opportunities</li> <li>• Community</li> </ul>	<p>The State and County should establish a business service center in Imperial County to facilitate access to business development incentive programs to benefit residents of disadvantaged communities, Tribal members, small businesses, and entrepreneurs.</p>	<p><b>Vote: Yes = 9, No = 0; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Hanks, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: none</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>

Item	Statutory Topics	Recommendation	Action Taken
<b>Circular Economy and Environmentally Sound Sourcing</b>			
7.	<ul style="list-style-type: none"> <li>• Market Opportunities</li> <li>• Opportunities for Incentives/ Investments</li> <li>• Potential Economic Impacts</li> </ul>	Support development of a circular lithium economy based in California, with environmentally responsible sourcing of raw materials, life cycle analysis, requirements for product design that support recovery, reus and recycling of materials, and development of effective recovery infrastructure, built with the assistance of public-private coalitions and effective community engagement.	<p><b>Vote: Yes = 9, No = 0; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Hanks, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: none</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>
<b>State Agency Initiatives and Programs</b>			
8.	<ul style="list-style-type: none"> <li>• Community •Safe Environmental Methods and Standards</li> <li>• Environmental Impact</li> </ul>	The State should fund a health impact analysis (e.g., assessment or study) for Eastern Coachella Valley, to be carried out by an academic institution or public agency, relating to increased development in the Salton Sea KGRA of geothermal power plants and DLE facilities and related processing, production, and manufacturing activities.	<p><b>Vote: Yes = 9, No = 0; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Hanks, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: none</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>
9.	<ul style="list-style-type: none"> <li>• Opportunities for Incentives/ Investments</li> <li>• Market Opportunities</li> <li>• Overcoming Technical and Economic Challenges</li> </ul>	Provide resources for local and state agencies and Tribes to proactively seek and leverage existing federal funding opportunities to invest in infrastructure in the Salton Sea region, including funding made available through the Infrastructure Investment and Jobs Act of 2021 (H.R. 3684) and the Inflation Reduction Act of 2022 (H.R. 5376).	<p><b>Vote: Yes = 9, No = 0; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Hanks, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: none</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>

Item	Statutory Topics	Recommendation	Action Taken
<b>Potential Environmental Impacts</b>			
10.	<ul style="list-style-type: none"> <li>• Potential Environmental Impacts</li> <li>• Safe Environmental Methods and Standards</li> </ul>	Require and fund IID to conduct a water study of projected cumulative infrastructure development of geothermal power plants and DLE facilities and related water use, sources, local beneficial uses, and availability. The State or other entity should also evaluate water quality.	<p><b>Vote: Yes = 8, No = 0; Abstain = 1; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Hanks, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: none</p> <p>Abstain: Commissioner Dolega</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>
<b>Workforce Development</b>			
11.	<ul style="list-style-type: none"> <li>• Potential Economic Impacts</li> <li>• Community</li> </ul>	The State should fund (and identify additional funding sources), and the industry should inform, the creation of curriculums, courses, and certification programs in science, technology, engineering, and mathematics (STEM) at schools and colleges to advance critical knowledge and skills across all grade levels, with a focus on the infrastructure and communities closest to geothermal power plants and DLE facilities	<p><b>Vote: Yes = 9, No = 0; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Hanks, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: none</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>
<b>Community Benefits and Safety</b>			
12.	<ul style="list-style-type: none"> <li>• Potential Economic and Environmental Impacts</li> <li>• Community</li> </ul>	Federal, state, and local government should invest in repairs, improvements to critical infrastructure and housing needed to support the success of lithium recovery, lithium processing, and lithium-dependent product manufacturing and recycling in the Salton Sea region, with a focus on the infrastructure and communities closest to geothermal power plants and DLE facilities. Investment decisions should consider community and Tribal priorities and include opportunities for participatory budgeting that includes public process and community and Tribal involvement.	<p><b>Vote: Yes = 9, No = 0; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Hanks, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: none</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>

Item	Statutory Topics	Recommendation	Action Taken
<b>Outreach and Engagement</b>			
13.	<ul style="list-style-type: none"> <li>• Community</li> <li>• Tribal</li> <li>• Potential Economic Impacts</li> </ul>	Provide capacity building funds, such as grants, and other resources (e.g., childcare for parents to attend meetings) for Tribes and community members to engage with federal, state, and local permitting agencies.	<p><b>Vote: Yes = 9, No = 0; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Hanks, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: none</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>
14.	<ul style="list-style-type: none"> <li>• Community</li> <li>• Tribal</li> <li>• Legislative or Regulatory Changes</li> </ul>	Establish standards for state and local permitting agencies to provide communities and Tribes with plain language written communications about geothermal power plant and DLE facility applications, the permitting processes to review the applications, and post-approval monitoring and enforcement. Information provided should also include education about the materials and processes used in DLE and lithium processing facilities, the final and intermediate products created, and any waste streams that must be managed.	<p><b>Vote: Yes = 9, No = 0; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Hanks, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: none</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>
15.	<ul style="list-style-type: none"> <li>• Legislative or Regulatory Changes</li> <li>• Community</li> <li>• Tribal</li> </ul>	Develop best practice guidance for CEQA lead agencies when initiating communications and consultation with Tribes (e.g., making multiple attempts through different methods, such as mail, email, telephone); providing reasonable time for Tribal governments to evaluate written materials; and recognizing the specific cultural, historical, public health, and ecological context of the Salton Sea region.	<p><b>Vote: Yes = 9, No = 0; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Hanks, Kelley, Olmedo, Paz, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: none</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>



**Table 2: Recommendations Considered but not Adopted by the Commission on November 17, 2022**

Item	Topics	Recommendation	Action Taken
1.	<ul style="list-style-type: none"> <li>• Potential Environmental Impacts</li> <li>• Safe Environmental Methods and Standards</li> <li>• Community</li> <li>• Tribal</li> </ul>	<p>Require and fund a study on whether increased geothermal development and DLE – and anticipated related development – would result in cumulative seismic and environmental impacts beyond those addressed in project level environmental review and the anticipated programmatic EIR established by Imperial County. The study should include recommendations to avoid, reduce, or minimize those impacts, and consider advance mitigation efforts.</p>	<p><b>Vote: Yes = 7, No = 1; Abstain = 1; Absent = 5</b>            Yes Votes: Commissioners Castaneda, Dolega, Kelley, Olmedo, Paz, Reynolds, and Ruiz            No Votes: Commissioner Hanks            Abstain: Commissioner Weisgall            Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p>
2.	<ul style="list-style-type: none"> <li>• Potential Economic Impacts</li> <li>• Community</li> </ul>	<p>Establish incentives for developers to enter into, and continue entering into, project labor agreements, establish workforce training and development strategies, implement High Road principles, and prioritize local hiring.</p>	<p><b>Vote: Yes = 6, No = 2; Abstain = 0, Absent = 6</b>            Yes Votes: Commissioners Dolega, Kelley, Paz, Reynolds, Ruiz, and Weisgall            No Votes: Commissioners Olmedo and Castaneda            Abstain: none            Absent: Commissioners Colwell, Flores, Hanks, Lopez, Scott, and Soto</p>
3.	<ul style="list-style-type: none"> <li>• Community</li> <li>• Safe Environmental Methods and Standards</li> </ul>	<p>The State should provide funds, from sources other than the Lithium Extraction Excise tax and funds allocated to Imperial County in the state’s FY 22-23 Budget, for the formation of an advisory council to provide input and guidance to the State, Imperial County, and Lead Agencies on community and Tribal priorities. The advisory council members should include, but not be limited to, labor, community, environmental justice, and Tribal representation. Such guidance could include discussion of community benefit and labor agreements, actions to protect public health, safety, Tribal cultural concerns, and infrastructure improvements. The advisory council could also work to identify whether additional actions are needed to attract new, sustainable business development and economic activity.</p>	<p><b>Vote: Yes = 5, No = 3; Abstain = 0, Absent = 6</b>            Yes Votes: Commissioners Castaneda, Olmedo, Dolega, Paz, and Ruiz            No Votes: Commissioners Kelley, Reynolds, and Weisgall            Abstain: none            Absent: Commissioners Colwell, Flores, Hanks, Lopez, Scott, and Soto</p>

Item	Topics	Recommendation	Action Taken
4.	<ul style="list-style-type: none"> <li>• Overcoming Technical and Economic Challenges</li> <li>• Legislative or Regulatory Changes</li> <li>• Market Opportunities</li> <li>• Safe Environmental Methods and Standards</li> <li>• Community</li> </ul>	<p>Establish a centralized permit and regulatory reporting tracking system for California projects that extract lithium from geothermal brine and lithium-related projects, such as lithium battery component manufacturing and recycling. Identify and authorize the most appropriate state agency(ies) to establish and oversee a program requiring that entities recovering and producing lithium in California report the operations of their facilities across a set of metrics, such as water use, emissions, waste produced and managed, and make the information accessible to and understandable by members of the public.</p>	<p><b>The motion voted on was to remove this recommendation from consideration.</b></p> <p><b>Vote: Yes = 7, No = 2; Abstain = 0; Absent = 5</b></p> <p>Yes Votes: Commissioners Castaneda, Dolega, Hanks, Kelley, Reynolds, Ruiz, and Weisgall</p> <p>No Votes: Commissioners Olmedo and Paz</p> <p>Abstain: none</p> <p>Absent: Commissioners Colwell, Flores, Lopez, Scott, and Soto</p> <p>Note: While this recommendation was not adopted, the Commissioners recognized the need to include a finding in the report that community and Tribal representatives advocated for the development of a centralized location for easily accessible information on DLE projects and related developments. This finding is in Chapter 4, Section H.</p>
5.	<ul style="list-style-type: none"> <li>• Potential Economic Impacts</li> <li>• Opportunities for Incentives/ Investments</li> </ul>	<p>As currently required pursuant to SB 125 (Committee on Budget and Fiscal Review, Chapter 63, Statutes of 2022), a study on the lithium excise tax is due December 31, 2023. To alleviate uncertainty for industry and the community, we recommend that the SB 125 tax mechanism study be completed by June 30, 2023.</p>	<p><b>The motion voted on was whether to remove this recommendation from consideration.</b></p> <p><b>Vote: Yes = 7, No = 0; Abstain = 1, Absent = 6</b></p> <p>Yes Votes: Commissioners Castaneda, Kelley, Reynolds, Ruiz, Weisgall, Olmedo, and Paz</p> <p>No Votes: none</p> <p>Abstain: Commissioner Dolega</p> <p>Absent: Commissioners Colwell, Flores, Hanks, Lopez, Scott, and Soto</p>

## Next Steps

Any future meeting information will be provided in a meeting notice issued at least 10 days in advance of a meeting.

## Items of Interest and Resources Referenced During the Meeting

- Items e-filed to the [Lithium Valley Commission Docket](#) can be found here: <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=20-LITHIUM-01>
- Resources provided:
  - [Summary of Written Comments on the Initial Draft Report and Staff's Draft Responses](#)
  - [Revised Consolidated Recommendations](#)
  - [Revised Consolidated Recommendations in Spanish](#)
  - [Revised Consolidated Recommendations in Purepecha](#)
  - [Revised Redline of Draft Report for Consideration by the Blue Ribbon Commission on Lithium Extraction in California](#)