

*Senate Budget and Fiscal Review—Scott Wiener, Chair*

## **SUBCOMMITTEE NO. 4**

## **Backgrounder**

**Senator Stephen C. Padilla, Chair**

**Senator Roger W. Niello**

**Senator Lola Smallwood-Cuevas**



**Thursday, April 25, 2024**  
**9:30 a.m. or Upon Adjournment of Session**  
**State Capitol - Room 113**

Consultants: Elisa Wynne & Timothy Griffiths

*Lithium Valley: from Promise to Reality*  
*Hearing Overview*

### **INTRODUCTION:**

Changing technology and the Salton Sea Trough’s unique geology have combined to present a historic opportunity to transform southeastern California into an economic powerhouse and help humanity respond to the climate crisis in the process. This tantalizing prospect is known as Lithium Valley.

Together, private enterprise, government, and community leaders across the Salton Sea region have embarked on an effort to convert Lithium Valley’s immense potential into a concrete reality. Success is not guaranteed, however. It will require timely public and private investments, technological breakthroughs, sustained regional coordination, and wise stewardship of resources.

Today’s hearing is devoted to an assessment of the status of that effort overall, with a particular emphasis on the role of state government in realizing Lithium Valley’s transformative potential.

---

**PANEL ONE: The Transformative Potential of Lithium Extraction in the Salton Sea Region: the Promise, the Vision, and Where We Stand Today**

To open the hearing, Professor Michael McKibben of the University of California, Riverside, will provide an orientation to the unique prospect that extracting lithium from the geothermally-heated brines below the Salton Sea Trough represents and how that possibility could potentially prove transformative for the economies of the surrounding region.

Following this opening, the hearing will turn to the work of the Blue-Ribbon Commission on Lithium Extraction in California, better known as the Lithium Valley Commission. In 2020, the Legislature created this fourteen-member Commission and tasked it with reviewing, investigating, and analyzing key issues pertaining to lithium extraction and use in California. At the conclusion of its work in 2022, the Commission issued a report, including key recommendations for what must be done to convert Lithium Valley's enormous potential into reality. Commission Chair Silvia Paz will explain how the Commission went about its work and delve into the thinking behind its recommendations.

Next, the hearing will examine how well the Commission's recommendations have been implemented to date. The California Energy Commission (CEC) facilitates monitoring of this progress through a process known as the Lithium Valley Vision Information Proceedings. CEC Commissioner Noemí Gallardo will discuss that process and provide an assessment of what has been accomplished so far and what work remains to be done.

Background Materials:

- *Characterizing the Geothermal Lithium Resource at the Salton Sea* (2023) Dobson et al, Lawrence National Labs. Available at: <https://escholarship.org/uc/item/4x8868mf>
- *Report of the Blue Ribbon Commission on Lithium Extraction in California* (2022) Paz et al, California Energy Commission. Available as TN #247861 at: <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=20-LITHIUM-01>
- *Status Update on Lithium Valley Commission Recommendations* (2024) California Energy Commission. Available as TN #255768 at: <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=24-OIIP-02>

---

**PANEL TWO: Investing in the Vision: Economic Support of the Lithium Extraction Industry and Surrounding Communities**

The hearing's second panel will highlight the critical role of state government support in converting the Lithium Valley vision into reality. Eric Stokes, Chief of Staff to CEC Commissioner Gallardo, will discuss the CEC's efforts to promote this transformation, including funding opportunities, assistance in accessing other public investments, and regional coordination activities. Tyson Eckerle, Senior Advisor for Clean Infrastructure and Mobility with the Governor's Office of Business and Economic Development (GOBiz), will discuss that office's Lithium Valley-related initiatives.

Background Materials:

- California Energy Commission Lithium Valley Fact Sheet. Available at: <https://www.energy.ca.gov/filebrowser/download/4041>

**PANEL THREE The Path Forward: Challenges and Opportunities**

The final panel of the hearing will delve into three key, specific aspects of the Lithium Valley project. First, the successful conversion of the Lithium Valley vision into reality will require significant public infrastructure improvements in the region. John Gay, Director of the Imperial County Department of Public Works, will discuss efforts to anticipate and address those needs. Second, ensuring that the economic benefits of lithium extraction inure to local communities will require developing a local workforce with specialized skills and training. Priscilla Lopez, Director of the Imperial County Workforce and Economic Development Department will present regarding a variety of regional initiatives aimed at achieving that result. Finally, many of the benefits of Lithium Valley vision will be supported with tax revenues from lithium extraction that will be available to be reinvested into the community. Genti Droboniku, Research Manager at the California Department of Tax and Fee Administration will break down the structure of the Lithium Extraction Excise Tax and how it was designed for this emerging resource.

Background Materials:

- *Lithium Valley Final Baseline Report* (2024) Rick Engineering Company for Imperial County. Available at: [LithiumValley\\_Final-Baseline-Report\\_2.15.24\\_wAppendices-1.pdf](#)
- *California Lithium Extraction Tax Study* (2023) California Department of Tax and Fee Administration Research and Statistics Section. Available at: <https://www.cdtfa.ca.gov/taxes-and-fees/LithiumTaxStudy.pdf>