

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS  
 Buffy Wicks, Chair  
 AB 2163 (Jeff Gonzalez) – As Amended April 27, 2026

Policy Committee:	Economic Development, Growth, and Household Impact	Vote:	8 - 0
	Utilities and Energy		18 - 0

Urgency: No                      State Mandated Local Program: No                      Reimbursable: No

**SUMMARY:**

This bill requires the California Energy Commission (CEC), in consultation with the Governor’s Office of Business and Economic Development (GO-Biz) and other relevant state agencies, to identify and designate Strategic Clean Energy and Critical Mineral Development Zones, as specified.

**FISCAL EFFECT:**

- 1) Ongoing General Fund costs of an unknown amount, possibly in the hundreds of thousands of dollars, for CEC to review and designate proposed zones.
- 2) Likely minor and absorbable costs to GO-Biz and other relevant state agencies to consult with CEC.

**COMMENTS:**

- 1) **Purpose.** According to the author:

Imperial County is one of the most lithium and geothermal rich regions in the entire world so it is critical that the County and areas like it are prioritized as the state plans the future of energy policy. This bill creates a standard for counties throughout the state to meet in order to be designated as a Strategic Clean Energy and Critical Mineral Development Zone. Counties that receive this designation and the energy infrastructure that they are capable of housing will be essential as California strives for its energy goals.

- 2) **Background.** Currently, virtually all of the lithium used in the United States is produced outside the country and most is mined in Argentina, Chile, China and Australia. However, uniquely high concentrations of dissolved lithium are found in the brine produced by California’s geothermal hotspots. Most of these brine resources are located in, and around, the Salton Sea in the Imperial Valley in an area commonly referred to as “Lithium Valley.”

As part of the state’s efforts to incorporate these geothermal brine resources into a new domestic lithium supply chain, the Lithium Valley Commission (LVC) was convened in 2021 as a result of AB 1657 (Garcia), Chapter 271, Statutes of 2020. The LVC was tasked with identifying ways to resolve barriers to development and support opportunities for

lithium recovery from geothermal brine within California. In October 2022, the LVC issued its final report, which recommended the concept of a Lithium Valley-specific development zone as an area the state would focus funding, streamline permitting, and support workforce and infrastructure needs for lithium development in Imperial County. Additionally, in 2024, Go-Biz awarded \$30 million in California Competes tax credits to a lithium extraction project in Imperial County. California has more than 40 operating geothermal power plants, providing about 2,700 megawatts of capacity.

This bill tasks the CEC with creating a Strategic Clean Energy and Critical Mineral Development Zones designation process for implementation of zones statewide.

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