

ASSEMBLY THIRD READING
AB 2163 (Jeff Gonzalez)
As Amended April 27, 2026
Majority vote

SUMMARY

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.

Major Provisions

COMMENTS

Lithium Valley Development. Global demand for lithium is expected to grow significantly over the next decade due to its use in batteries for energy storage and transportation. While most lithium used in the United States is currently imported from countries such as Argentina, Chile, China, and Australia, California has significant lithium resources dissolved in geothermal brine beneath the Salton Sea region in Imperial County, commonly referred to as Lithium Valley. In 2023, the U.S. Department of Energy, through an analysis led by Lawrence Berkeley National Laboratory, estimated that the region could contain more than 3,400 kilotons of lithium, enough to support production of more than 375 million electric vehicle batteries.

To support development of a domestic lithium supply chain, the state established the Lithium Valley Commission through AB 1657 (Eduardo Garcia) Chapter 271, Statutes of 2020. From 2021 to 2022, the Commission examined opportunities and barriers related to lithium extraction from geothermal brine, including technical, economic, environmental, and community considerations. Its final report recommended creation of a Lithium Valley specific economic development zone to help streamline permitting and support infrastructure, workforce development, and industry investment in Imperial County.

Proposed Development Zones. The bill would build on these efforts by authorizing the CEC to designate strategic clean energy and critical mineral development zones in areas meeting specified criteria related to lithium resources, geothermal generation, transmission infrastructure, and regional planning activities. Counties could apply for designation by resolution of the board of supervisors, although the CEC would also be authorized to independently identify qualifying zones. Designated zones would be subject to periodic review and updates, and state agencies, including GO-Biz, would be directed to give priority consideration, where consistent with existing law, to projects and infrastructure investments within those areas related to clean energy production, advanced manufacturing, workforce development, and critical mineral supply chains.

According to the Author

According to the author, "As California continues to move towards clean and renewable energy, we must ensure that we are properly taking advantage of the natural resources that California has been blessed with. 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. California is naturally blessed with abundant energy resources and if we are going to reach our goals, those resources and the regions that contain them must be fully utilized and included in the planning and development processes."

Arguments in Support

AB 2163 is supported by the Imperial County Board of Supervisors, which states that the bill would establish a coordinated statewide approach to advancing clean energy production, critical mineral development, and related industrial growth. The County emphasizes that achieving California's clean energy and decarbonization goals will require not only renewable generation, but also reliable baseload energy, domestic sources of critical minerals, advanced manufacturing, and supporting infrastructure.

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, this bill would result in ongoing General Fund costs of an unknown amount, potentially in the hundreds of thousands of dollars, for the CEC to review and designate proposed zones. The bill would also result in likely minor and absorbable costs to GO-Biz and other relevant state agencies related to consultation with the CEC.

VOTES

ASM ECONOMIC DEVELOPMENT, GROWTH, AND HOUSEHOLD IMPACT: 8-0-0

YES: Solache, Castillo, Muratsuchi, Patel, Petrie-Norris, Michelle Rodriguez, Soria, Wallis

ASM UTILITIES AND ENERGY: 18-0-0

YES: Petrie-Norris, Patterson, Boerner, Calderon, Chen, Davies, Mark González, Harabedian, Hart, Irwin, Kalra, Papan, Rogers, Schiavo, Schultz, Ta, Wallis, Zbur

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

UPDATED

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