

CONCURRENCE IN SENATE AMENDMENTS

AB 2163 (Jeff Gonzalez)

As Amended August 17, 2026

Majority vote

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.

Senate Amendments

- 1) Allows counties to jointly submit a Critical Minerals Zone designation request when a proposed zone crosses county boundaries and each county has been identified by state or federal agencies as having significant critical mineral deposits or production potential. The counties must agree to submit the request jointly.
- 2) Prioritizes projects that support quality jobs and a skilled workforce by directing state agencies and GO-Biz to give preference to projects that pay prevailing wages, employ apprentices from state-approved programs, and utilize a skilled and trained workforce.

COMMENTS

California has a significant opportunity to develop a domestic lithium supply chain in the Salton Sea region, known as "Lithium Valley." The region could contain more than 3,400 kilotons of lithium, creating the potential to support hundreds of millions of electric vehicle batteries and reduce California's reliance on foreign sources.

This bill builds on the state's previous efforts by creating Strategic Clean Energy and Critical Mineral Development Zones in areas with critical mineral resources, geothermal energy potential, transmission infrastructure, and regional planning. The goal is to bring state agencies and local communities together to better coordinate permitting, infrastructure, workforce development, and investment.

The bill also continues the state's broader effort to develop Lithium Valley responsibly, balancing economic and energy development with environmental protections, community benefits, and high-road jobs.

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

Those in support argue that this bill is a practical step toward helping California get more out of regions with strong clean energy and critical mineral resources. By creating Strategic Development Zones, the bill helps state agencies and local communities better coordinate on infrastructure, permitting, and investment. This is especially important for Lithium Valley, where geothermal energy, lithium production, and advanced manufacturing can grow together. By providing more certainty and coordination, AB 2163 can help move important projects forward, create jobs, strengthen local economies, and support California's clean energy and climate goals.

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to Senate Appropriations Committee:

- 1) The CEC estimates ongoing costs of \$582,000 annually (Energy Resources Program Account [ERPA]) to develop the submittal process and requirements, review requests for designation of Strategic Energy and Critical Mineral Development Zones, possibly independently designate those zones, review existing zones to identify updates, and coordinate with GO-Biz and other agencies as needed.
- 2) Likely minor and absorbable costs to GO-Biz and other relevant state agencies to consult with 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

ASSEMBLY FLOOR: 76-0-4

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Johnson, Kalra, Krell, Lackey, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

ABS, ABST OR NV: Jackson, Lee, Ortega, Celeste Rodriguez

SENATE FLOOR: 40-0-0

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

UPDATED

VERSION: August 17, 2026

CONSULTANT: Carla Castilla / E.D., G., & H.I. / (916) 319-2090

FN: 0004516