

PROJECT BACKGROUND AND LICENSING OVERVIEW

BISHOP CREEK HYDROELECTRIC PROJECT (FERC No. 1394)

1.0 RELICENSING OVERVIEW

The Bishop Creek Project (Project) is located on Bishop Creek in Inyo County, California, about five miles southwest of the city of Bishop (Figure 1). The Project's five powerhouses have a licensed capacity of 28.6 megawatts, and are located mainly along the south, middle, and north forks of Bishop Creek on the steep eastern slopes of the southern Sierra Nevada Range. The Project is licensed by the Federal Energy Regulatory Commission (FERC) and is owned by Southern California Edison (SCE). The current license for the Project was issued in 1994 for a term of 30 years; therefore, the license will expire on June 30, 2024.

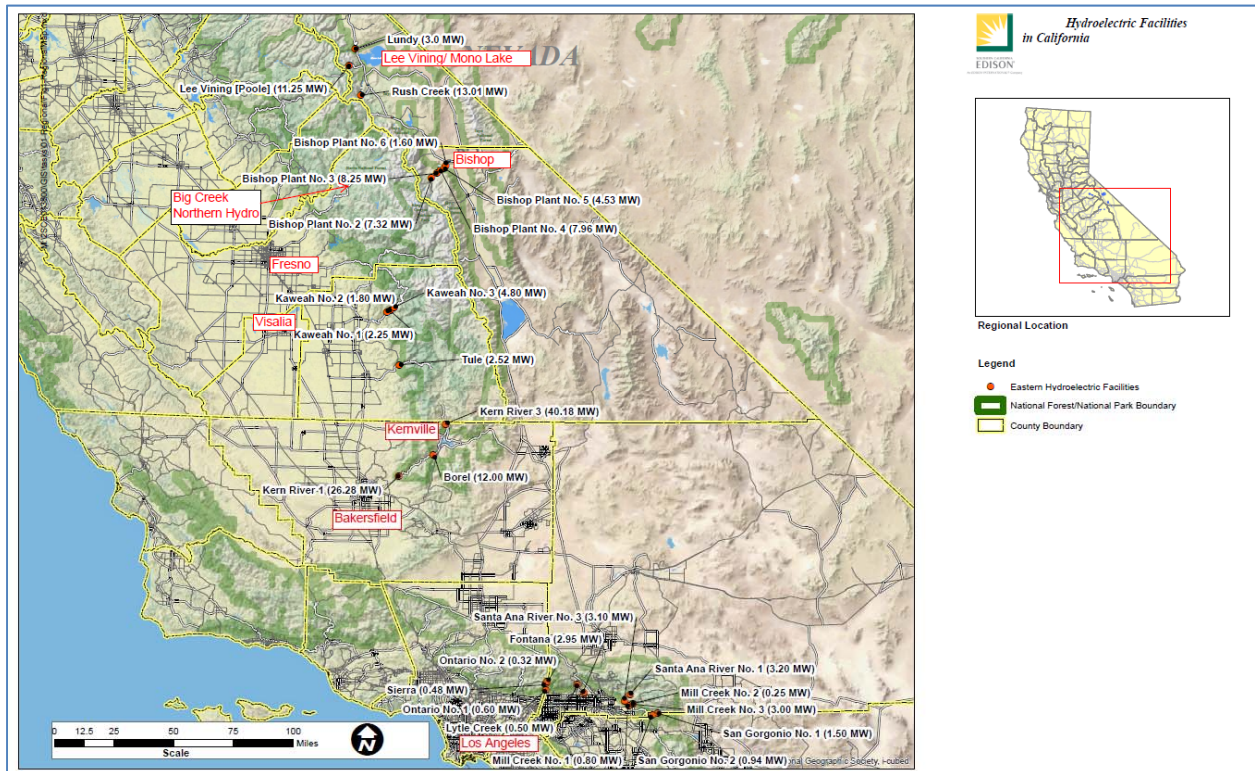


FIGURE 1. SCE NORTHERN AND EASTERN SIERRAS HYDRO PROJECTS AND VICINITY MAP

SCE is initiating the process that will ultimately result in an application for a new license. That application will be filed no later than June 30, 2022. Leading up to that application, there are required steps that SCE must take to consult with stakeholders (i.e., public; federal, state, and

local agencies; tribes; and non-governmental organizations) regarding the anticipated future condition of the Project and environment under the proposed new license. In addition to these mandated steps, SCE is enhancing the process with additional opportunities to engage with stakeholders regarding the Project's future.

This document briefly describes the Project, SCE's preliminary concepts for continued operations, and the process to be used in developing the license application in consultation with stakeholders.

2.0 PROJECT DESCRIPTION

2.1 FACILITIES

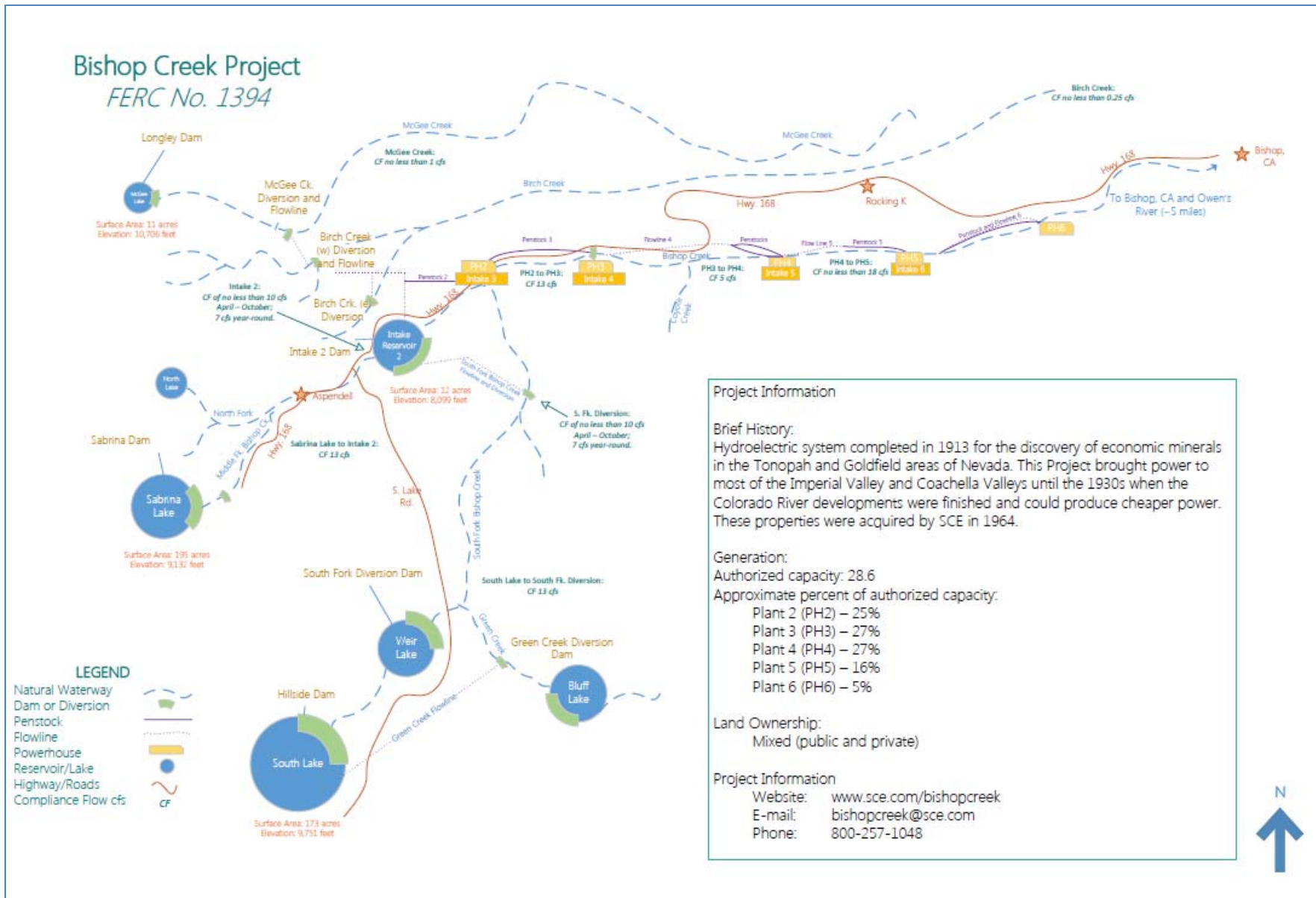
Figure 2 is a stylized representation of the major features of the Project. The Project diverts water from the Middle and South Forks of Bishop Creek, McGee Creek, and Birch Creek through five powerhouses beginning immediately below the confluence of the Middle and South Forks of Bishop Creek. Storage reservoirs include Lake Sabrina, Longley Reservoir, and South Lake, which are located at the headwaters of Bishop Creek; there is a smaller regulating reservoir at Intake No. 2.

2.2 PROJECT OPERATIONS

Flows have been regulated on the Middle Fork, between Lake Sabrina and the Intake No. 2 Diversion, and on the South Fork for over 70 years. Flow varies on a monthly basis depending on the amount of runoff and SCE's release schedule, which are dictated by snowpack, snow melt, spring rain events, drought, and power demand. At the lower end of the system, the peak runoff occurs from May to August. Annual runoff averages 100 cubic feet per second (cfs), with calculated monthly mean flows ranging from 41 to 285 cfs. These numbers will be updated as part of the relicensing process.

The regulated reaches--between Lake Sabrina and Intake No. 2 and between South Lake and South Fork Diversion--experience flow fluctuations that are similar to each other. Since these reaches aggregate and convey all of the Project flows, they are never as low as the flows in the diverted sections. During wet years, they have much higher flows. The current license requires minimum flow releases into diverted reaches.

Project operations are subject to adjudicated water rights. The 1922 Chandler Decree is one of the primary controlling documents. The 1933 Sales Agreement between the Southern Sierra Power Company (predecessor to SCE) and Los Angeles Department of Water and Power (LADWP) also addresses SCE's obligations with respect to the waters of Bishop Creek. Within these constraints, SCE manages the releases from the storage reservoirs, for purposes of hydrogeneration and meeting water allocation requirements. Figure 2 shows the minimum flow requirements for diversion reaches throughout the Project area.



3.0 PROCESS PLAN AND SCHEDULE

FERC has several different relicensing processes that a hydropower owner/operator may use to relicense its facilities. SCE has selected FERC's Integrated License Process (ILP) to relicense the Project. This approach provides for a high level of stakeholder engagement while encouraging expeditious timeframes for review by federal and state agencies. The process requires that between 5 to 5.5 years before its license expires, SCE must file a Notice of Intent (NOI) and Pre-application Document (PAD) with FERC. These documents provide initial information to FERC regarding the current state of the Project, known resource conditions, and an intended set of studies to inform the relicensing. SCE then must file an Application for New License no later than 24 months before the existing license expires.

SCE will follow the ILP and complete the filing milestones as required by FERC. SCE is planning to formally initiate the process with FERC by April 1, 2019. However, prior to initiating the process, SCE will conduct early relicensing activities by engaging stakeholders in a collaborative process to identify and develop approved technical resource studies that will be included in the PAD. SCE believes that the early identification of potential resource issues and development of study plans will benefit the ILP by allowing earlier implementation of technical resource studies and lead to the development of appropriate and cost-effective proposed protection, mitigation and enhancement measures that will be included in the Application for New License

Following kick-off meetings with the public and stakeholders, SCE will organize Aquatic, Cultural, Land Management, Recreation, and Terrestrial Technical Work Groups (TWGs). These TWGs, which are advisory in nature will help to inform the development of proposed study plans, will meet in the Bishop area in 2018-2019.

4.0 COMMUNICATION AND INFORMATION

SCE has developed a website (www.sce.com/bishopcreek) dedicated to the Bishop Creek Relicensing where information about the process, upcoming meetings, and documents will be provided. In addition, the website contains a contact registration form so that SCE can gather contact information and areas of interest so additional information can be directed to those wishing to receive updates via email.

SCE's project manager for this relicensing is Matthew Woodhall, who may be contacted at matthew.woodhall@sce.com or (626) 302-9596. A relicensing website has been established at www.sce.com/bishopcreek to facilitate the distribution of relicensing related information, announcements, and documents.