



November 1, 2021

Sent via Certified Mail, Return Receipt Requested

Michael Mirelez, Cultural Resource Coordinator



SUBJECT: Notice of Proposed Real Property Disposition – Right of First Offer
Redlands, San Bernardino County

Dear Tribal Leader:

In accordance with California Public Utilities Commission (CPUC) Resolution No. E-5076 and the CPUC's Tribal Land Policy, Southern California Edison Company (SCE) is notifying you of its intent to sell certain hydroelectric generation assets and underlying property located in the City of Redlands in San Bernardino County (collectively referred to as the "Hydro-Plant"). The purpose of this letter is to notify the Tribe of its right of first offer on the sale of the Hydro-Plant and to determine whether the Tribe has an interest in making an offer.

The Hydro-Plant is located near Redlands in San Bernardino County, has an approximate acreage of 34.90 acres, and is licensed for operation by the Federal Energy Regulatory Commission (FERC). The enclosed Property Information Sheet provides additional factual background relating to the Hydro-Plant.

The real property underlying the Hydro-Plant will not be offered for sale separately from the facilities.

SCE intends to offer the Hydro-Plant for sale due to the high cost of operation compared to other sources of generated electricity. The entity acquiring the Hydro-Plant will be required to demonstrate to FERC and the CPUC that it has the financial health and operational and technical ability to assume long-term operations of the Hydro-Plant in a safe manner and in alignment with the detailed terms and conditions of the FERC license. At the time of sale, the acquiring entity must therefore also have a license from FERC and other regulatory approvals necessary to operate the Hydro-Plant.

The California Native American Heritage Commission identified the Hydro-Plant as within or abutting the Torres-Martinez Desert Cahuilla Indians' ancestral territory.

In accordance with the Tribal Land Transfer Policy, the Tribe has a time-sensitive "right of first offer" on the sale of the Hydro-Plant. If the Tribe is interested in both acquiring and assuming ongoing operational responsibility for the Hydro-Plant, the Tribe must notify the undersigned, in writing, of the Tribe's interest within thirty (30) days (by December 1, 2021). SCE is available for consultation with the Tribe, in accordance with California Government Code Section



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64352.4, regarding the Tribe's interest in the Hydro-Plant. Following receipt of a statement of interest, SCE will meet and confer with the Tribe over the ensuing sixty (60) day period to determine if a mutually agreeable sale may be negotiated.

SCE notes that due to the limited commercial marketplace for the sale of hydroelectric generation assets and the associated challenge to value such assets, fair market value for the Hydro-Plant may ultimately be determined through a market bidding process. Therefore, in addition to the operational requirements set forth above, both the Tribe and SCE must be prepared to demonstrate that compensation offered constitutes fair market value for the Hydro-Plant. To the extent the Tribe indicates it is not interested in making an offer at this time or if the parties are unable to reach agreement and the assets are sold at auction, the Tribe may consider participating in the auction.

This notice does not constitute a formal offer of sale but rather solely serves as a notification of SCE's intent to dispose of the Hydro-Plant and of the Tribe's right of first offer. SCE reserves the right to withdraw this notice at any time. In addition, any resulting agreement for the sale of the Hydro-Plant will be conditioned upon obtaining approval from the CPUC. SCE makes no guarantees regarding the CPUC's timing and whether the CPUC would approve and/or condition such a transaction.

SCE welcomes comments or information the Tribe would like to share regarding any cultural resources that may exist on the property. The Tribe's input is valuable to the CPUC as it reviews any future disposition of the property.

Should the Tribe have questions about this property, please contact Allison Bahen at allison.bahen@sce.com or by phone at 626-302-5493.

Sincerely,

Southern California Edison Company

Cc: Aaron Thomas, Tribal Liaison, SCE