



Inbound Financial Security Procedure

GRIDLIANCE WEST LLC (GLW)

8-22-24

Version 4

INSTRUCTIONS

Security Posting – Letters of Credit

A Letter of Credit (“LOC”), subject to the criteria listed below, is an acceptable form of Financial Security (“Security”) for meeting either the CAISO’s and/or GridLiance West LLC’s (“GLW”) grid interconnection tariffs, or the terms of the Generator Interconnection Agreement (“GIA”), as applicable. GLW’s approved form of LOC is attached to these Instructions. Any deviations from the approved form must be reviewed by both the Credit and Legal departments with affirmative confirmation (email confirmation) reflecting review. All highlighted fields must be completed.

LCs must be issued from a “Qualified Institution” on GLW’s approved form. A Qualified Institution (“Issuer”) means a commercial bank that has an office, branch, or place of business in the United States and must have a credit rating of A or better by Standard and Poor’s, or, A2 or better by Moody’s. Credit will also confirm the credit-worthiness of the financial institution issued the LC.

GLW’s standard practice is to review all Security to ensure acceptability, which will include the Issuer’s acceptability, as discussed above, as well as the acceptability of the Security’s terms and conditions. Using GLW’s standard form, without modification, will ensure that the terms and conditions of the Security are acceptable to GLW. If the Issuer seeks modification to any of the conditions, GLW requires that prior to submission, a draft of the Security redlined against GLW’s standard form should be sent to your GLW Project Manager with a copy to: NextEra Energy Transmission, LLC Business Management, Attn: Principal Business Analyst NEET-Business-Management.SharedMailbox@nexteraenergy.com. Please allow at least three (3) Business Days for GLW’s review of the draft Security.

Either GLW’s Project Manager or the CAISO has sent you an email that specified the posting due date for the Security. GLW must receive acceptable Security on or before this date. All Security is to be delivered to GLW at the following address:

GridLiance West LLC
c/o NextEra Energy Transmission, LLC
Attn: Business Management MailStop UST/JB
700 Universe Blvd.
Juno Beach, FL 33408

Questions about posting the Security should be directed to your GLW Project Manager.

APPENDIX

[ISSUING BANK] IRREVOCABLE STANDBY LETTER OF CREDIT

DATE OF ISSUANCE:

[Date of issuance]

Date:

GLW Contract No.

Project Name:

For the purpose of:

Beneficiary

GridLiance West LLC

700 Universe Boulevard

Juno Beach, Florida 33408

Attention: Business Management

MailStop: UST/JB

Applicant: _____

Re: [ISSUING BANK] Irrevocable Standby Letter of Credit No. _____

Sirs/Mesdames:

We hereby establish in favor of Beneficiary (sometimes alternatively referred to herein as “**you**”) this Irrevocable Standby Letter of Credit No. _____ (the “**Letter of Credit**”) for the account of [*Applicant Entity Legal Name*], located at [*Entity Address*] (“**Account Party**”), effective immediately and expiring on the date determined as specified in numbered paragraphs 5 and 6 below. Banking charges shall be the sole responsibility of Applicant.

We have been informed that this Letter of Credit is issued pursuant to the terms of that certain [describe the underlying agreement which requires this LC]

1. **Stated Amount.** The maximum amount available for drawing by you under this Letter of Credit shall be [written dollar amount] United States Dollars (US\$[dollar amount]) (such maximum amount referred to as the “**Stated Amount**”).

2. **Drawings.** A drawing hereunder may be made by you on any Business Day on or prior to the date this Letter of Credit expires by delivering to [ISSUING BANK], at any time during its business hours on such Business Day, at [bank address] (or at such other address as may be designated by written notice delivered to you as contemplated by numbered *paragraph 9* hereof), a copy of this Letter of Credit together with (i) a Draw Certificate executed by an authorized person substantially in the form of *Attachment A* hereto (the “**Draw Certificate**”), appropriately completed and signed by your authorized officer (signing as such) and (ii) your draft substantially in the form of *Attachment B* hereto (the “**Draft**”), appropriately completed and signed by your authorized officer (signed as such). Partial drawings and multiple presentations may be made under this Letter of Credit. Draw Certificates and Drafts under this Letter of Credit may be presented by Beneficiary by means of facsimile to [insert fax number] or original documents sent by overnight delivery or courier to [ISSUING BANK] at our address set forth above, *Attention:* [redacted] (or at such other address as may be designated by written notice delivered to you as contemplated by numbered *paragraph 9* below).). If presentation is made by facsimile transmission, you must contact us at [insert phone number] to confirm our receipt of the transmission. In the event of a presentation by facsimile transmission, the original of such documents need not be sent to us.

3. **Time and Method for Payment.** We hereby agree to honor a drawing hereunder made in compliance with this Letter of Credit by transferring in immediately available funds the amount specified in the Draft delivered to us in connection with such drawing to such account at such bank in the United States as you may specify in your Draw Certificate. If the Draw Certificate is presented to us at such address by 12:00 noon, [redacted] time on any Business Day, payment will be made not later than our close of business on third succeeding business day and if such Draw Certificate is so presented to us after 12:00 noon, [redacted] time on any Business Day, payment will be made on the fourth succeeding Business Day. In clarification, we agree to honor the Draw Certificate as specified in the preceding sentences, without regard to the truth or falsity of the assertions made therein.

4. **Non-Conforming Demands.** If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you prompt notice that the demand for payment was not effectuated in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefor and that we will upon your instructions hold any documents at your disposal or return the same to you. Upon being notified that the demand for payment was not effectuated in conformity with this Letter of Credit, you may correct any such non-conforming demand.

5. **Expiration.** This Letter of Credit shall automatically expire at the close of business on the date on which we receive a Cancellation Certificate in the form of Attachment C hereto executed by your authorized officer and sent along with the original of this Letter of Credit and all amendments (if any).

6. **Initial Period and Automatic Rollover.** The initial period of this Letter of Credit shall terminate on one year from the issuance date (the “**Initial Expiration Date**”). The Letter of Credit shall be automatically extended without amendment for one (1) year periods from the Initial Expiration Date or any future expiration date, unless at least sixty (60) days prior to any such expiration date we send you notice by registered mail or courier at your address first shown (or such other address as may be designated by you as contemplated by numbered paragraph 9) that we elect not to consider this Letter of Credit extended for any such additional one year period.

7. **Business Day.** As used herein, “**Business Day**” shall mean any day on which commercial banks are not authorized or required to close in the State of New York, and inter-bank payments can be effected on the Fedwire system.

8. **Governing Law.** THIS LETTER OF CREDIT IS GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AND, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, TO THE INTERNATIONAL STANDBY PRACTICES, ICC PUBLICATION NO. 590 (THE “ISP98”), AND IN THE EVENT OF ANY CONFLICT, THE LAWS OF THE STATE OF NEW YORK WILL CONTROL, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

9. **Notices.** All communications to you in respect of this Letter of Credit shall be in writing and shall be delivered to the address first shown for you above or such other address as may from time to time be designated by you in a written notice to us. All documents to be presented to us hereunder and all other communications to us in respect of this Letter of Credit, which other communications shall be in writing, shall be delivered to the address for us indicated above, or such other address as may from time to time be designated by us in a written notice to you.

10. **Irrevocability.** This Letter of Credit is irrevocable.

11. **Complete Agreement.** This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except for the ISP98 and Attachment A, Attachment B and Attachment C hereto and the notices referred to herein and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except as set forth above.

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Sincerely,

[ISSUING BANK]

By: _____

Title: _____

Address:

ATTACHMENT A

FORM OF DRAW CERTIFICATE

The undersigned hereby certifies to [ISSUING BANK] (“**Issuer**”), with reference to Irrevocable Letter of Credit No. [REDACTED] (the “**Letter of Credit**”) issued by Issuer in favor of the undersigned (“**Beneficiary**”), as follows:

- (1) The undersigned is the [REDACTED] of Beneficiary and is duly authorized by Beneficiary to execute and deliver this Certificate on behalf of Beneficiary.

- (2) Beneficiary hereby makes demand against the Letter of Credit by Beneficiary’s presentation of the draft accompanying this Certificate, for payment of [REDACTED] U.S. dollars (US\$ [REDACTED]), which amount, when aggregated together with any additional amount that has not been drawn under the Letter of Credit, is not in excess of the Stated Amount (as in effect of the date hereof).

- (3) The conditions for a drawing by Beneficiary are pursuant to one or more of the following: (1) The Letter of Credit will expire in fewer than thirty (30) calendar days from the date hereof and Applicant has not provided to Beneficiary alternate financial security acceptable to Beneficiary (2) Alternate financial security acceptable to Beneficiary has not been provided to Beneficiary within five (5) Business Days after a reduction in the credit rating of the Bank below A by Standard & Poor’s and/or A2 Moody’s or (3) Beneficiary is entitled to draw upon the Letter of Credit pursuant to [*describe the draw conditions from the underlying agreement*]

- (4) You are hereby directed to make payment of the requested drawing to: (insert wire instructions)

Beneficiary Name and Address:

GridLiance West LLC
700 Universe Blvd.
Juno Beach, FL 33408

By: _____

Title: _____

Date: _____

- (5) Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Letter of Credit.

GRIDLIANCE WEST LLC

By: _____

Title: _____

Date: _____

ATTACHMENT B

DRAWING UNDER IRREVOCABLE LETTER OF CREDIT NO. [REDACTED]

Date:

PAY TO: GRIDLIANCE WEST LLC

U.S.\$ _____

FOR VALUE RECEIVED AND CHARGE TO THE ACCOUNT OF LETTER OF CREDIT NO.
_____.

GRIDLIANCE WEST LLC

By: _____

Title: _____

Date: _____

ATTACHMENT C

CANCELLATION CERTIFICATE

Irrevocable Letter of Credit No.

The undersigned, being authorized by the undersigned (“**Beneficiary**”), hereby certifies on behalf of Beneficiary to [ISSUING BANK] (“**Issuer**”), with reference to Irrevocable Letter of Credit No. issued by Issuer to Beneficiary (the “**Letter of Credit**”), that all obligations of [APPLICANT], under the [*describe the underlying agreement which requires this LC*] have been fulfilled.

Pursuant to Section 5 thereof, the Letter of Credit shall expire upon Issuer’s receipt of this certificate.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Letter of Credit.

GRIDLIANCE WEST LLC

By: _____

Title: _____

Date: _____