

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 standard form of the LOC is provided starting on page 2 of this document. All fields shown in blue highlighting must be completed.

GLW's criteria for accepting an LOC includes the following:

- (a) The issuing bank must have a credit rating of A or better by Standard and Poor's, or, A2 or better by Moody's; and,
- (b) The issuing bank must be a United States bank or a United States branch of a foreign bank.

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 and to the following email address: credit@gridliance.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 GridLiance Holdco, LP
Attn: Chief Financial Officer
201 East John Carpenter Frwy
Suite 900
Irving, TX 75062

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

IRREVOCABLE STANDBY

LETTER OF CREDIT No.

Date:

GLW Contract No.:

Project Name:

For the purpose of:

Beneficiary:

GridLiance West LLC
c/o GridLiance Holdco, LP
Attn: Chief Financial Officer
201 East John Carpenter Frwy
Suite 900
Irving, TX 75062

Applicant:

Amount:

Expiration:

(the "Bank") hereby establishes this Irrevocable Standby Letter of Credit No. ("Letter of Credit") in favor of GridLiance West LLC (the "Beneficiary"), for the account of _____, a _____ (the "Applicant"), for the amount of (\$ _____) (the "Available Amount"), effective immediately and expiring at 5:00 p.m., _____, on _____ (as such date may be extended in accordance with the terms of this Letter of Credit, the "Expiration Date").

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for a one-year period beginning on the present Expiration Date hereof and upon each anniversary of such date, unless at least sixty (60) days prior to any such Expiration Date Bank has sent Beneficiary written notice, at the address provided below, that Bank elects not to permit this Letter of Credit to be so extended beyond, and will expire on its then current Expiration Date. No presentation made under this Letter of Credit after such Expiration Date will be honored.

All notices to Beneficiary will be in writing and are required to be sent by certified mail or overnight courier to:

GridLiance West LLC, c/o GridLiance HoldCo, LP
Attn: Chief Financial Officer
201 East John Carpenter Frwy
Suite 900
Irving, TX 75062

With a copy (which shall not constitute notice) to:

GridLiance West LLC, c/o GridLiance HoldCo, LP
Attn: General Counsel
201 East John Carpenter Frwy
Suite 900
Irving, TX 75062

Only notices to Beneficiary meeting the requirements of this paragraph shall be considered valid. Any notice to Beneficiary which is not in accordance with this paragraph shall be void and of no force or effect.

For the purposes hereof, "Business Day" shall mean any day on which commercial banks are not authorized or required to close in

Funds under this Letter of Credit are available to Beneficiary by presentation on or before 5:00 p.m., on or before the Expiration Date of the Demand and Drawing Certificate issued substantially in the form of Exhibit A attached hereto, duly completed and bearing the signature of an authorized representative of the Beneficiary.

Any and all demands under this Letter of Credit may be made by faxing the Demand and Drawing Certificate as described above to the Bank at or such other facsimile number as specified from time-to-time by the Bank. The facsimile transmittal shall be deemed delivered when received.

Drawings made by facsimile transmittal are deemed to be the operative instrument without the need of originally signed documents. Payment to Beneficiary will be made within three Business Days after presentation of the Demand and Drawing Certificate.

Partial and multiple drawings shall be permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance; *provided*, the Available Amount shall be reduced by the amount of each such drawing.

All correspondence and any drawings hereunder are to be directed to:

Banking charges shall be the sole responsibility of

This Letter of Credit sets forth in full our obligations and such obligations shall not in any way be modified, amended, amplified or limited by reference to any documents, instruments or agreements referred to herein, except only the attachment referred to herein; and any such reference shall not be deemed to incorporate by reference any document, instrument or agreement except for such attachment. Except in the case of an increase in the Available Amount, this Letter of Credit may not be amended or modified without the Beneficiary's prior written consent.

The Bank engages with the Beneficiary that Beneficiary's drawing under and in compliance with the terms of this Letter of Credit will be duly honored if presented to the Bank on or before the Expiration Date.

This Letter of Credit is subject to the International Standby Practices ISP98 (also known as ICC Publication No. 590) (the "ISP"). As to matters not covered by the ISP, the laws of the State of New York, without regard to the principles of conflicts of laws thereunder, shall govern all matters with respect to this Letter of Credit.

AUTHORIZED SIGNATURE for Issuer

By:

Name:

Title:

EXHIBIT A

DEMAND AND DRAWING CERTIFICATE TO

**IRREVOCABLE STANDBY LETTER OF
CREDIT No.**

Bank :

Subject: Irrevocable Standby Letter of Credit No:

The undersigned _____, an authorized representative of GridLiance West LLC (the "Beneficiary"), hereby demands payment of _____ (U.S.\$ _____) ("the Amount") under Irrevocable Standby Letter of Credit No. _____, dated _____, (the "Letter of Credit") issued by _____ (the "Bank") in favor of the Beneficiary, which Amount does not exceed the Available Amount under the Letter of Credit as of the date hereof.

The Beneficiary hereby certifies to the Bank as follows as of the date hereof that the Beneficiary is entitled to draw the Amount under the Letter of Credit for the following reason(s) [check one or more applicable provision(s)]:

- 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.
- 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 (S&P) and A2 by Moody's
- Beneficiary is entitled to draw upon the Letter of Credit pursuant to

The Bank is hereby directed to make payment on this demand for payment to the Beneficiary by wire transfer to:

Unless otherwise provided herein, capitalized terms which are used and not defined herein shall have the meaning given each such term in the Letter of Credit.

IN WITNESS WHEREOF, this Demand and Drawing Certificate has been duly executed and delivered on behalf of the Beneficiary by its authorized representative as of this _____ day of _____, _____.

Beneficiary:

GridLiance West LLC

By:

Name:

Title: