**LETTER OF CREDIT**

Scheduling Coordinator (SC) Applicant:

Amount:

Date of Issuance:

California Independent System Operator Corporation ("ISO")

250 Outcropping Way

Folsom, CA 95630

Attn: Treasury

To Whom It May Concern:

We hereby establish in your favor, effective immediately, our irrevocable Letter of Credit no. \_\_\_\_\_\_\_\_\_\_ which is available for payment

(a) upon presentation to us at our office at [*bank’s address]*,[[1]](#footnote-1) of: (i) your written demand for payment containing the text of Exhibit I and (ii) your signed statement containing the text of Exhibit II; or

(b) upon both your telephone and email of demand to the attention of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ at telephone \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and presentation to us by email at \_\_\_\_\_\_\_\_\_\_\_\_\_\_ from your email address: [any user]@caiso.com: (i) your written demand for payment containing the text of Exhibit I and (ii) your statement containing the text of Exhibit II. Funds may be drawn under this Letter of Credit, from time to time, in one or more drawings, in amounts not exceeding in the aggregate the amount specified above.

Upon presentation to us in conformity with the foregoing, we will, within 3 banking days after such presentation but without any other delay whatsoever, irrevocably and without reserve or condition issue payment instructions to the Federal Reserve wire transfer system in proper form to transfer to the account at the bank designated by you in the demand, the full amount demanded by you in the same-day funds which are immediately available to you in San Francisco, California. We agree that if, on the termination date of this Letter of Credit, the office specified above is not open for business, this Letter of Credit will be duly honored if the specified statements are presented by you within three (3) full banking days after such office is reopened for business. For the purposes of this section, a banking day means a day, other than a Saturday or Sunday, on which the Federal Reserve Bank is not authorized or required to be closed.

Payment hereunder shall be made regardless of: (a) any written or oral direction, request, notice or other communication now or hereafter received by us from the SC Applicant or any other person except you, including without limitation any communication regarding fraud, forgery, lack of authority or other defect not apparent on the face of the documents presented by you, but excluding solely an effective written order issued otherwise than at our instance by a court of competent jurisdiction which order is legally binding upon us and specifically orders us not to make such payment; (b) the solvency, existence or condition, financial or other, of the SC Applicant or any other person or property from whom or which we may be entitled to reimbursement for such payment; and (c) without limiting clause (b) above, whether we are in receipt of or expect to receive funds or other property as reimbursement in whole or in part for such payment. We agree that we will not take any action to cause the issuance of an order described in clause (a) of the preceding sentence. We agree that the time set forth herein for payment of any demand(s) for payment is sufficient to enable us to examine such demand(s) and the related documents(s) referred to above with care so as to ascertain that on their face they appear to comply with the terms of this credit and that if such demand(s) and document(s) on their face appear to so comply, failure to make any such payment within such time shall constitute dishonor of such demand(s) and this credit.

This Letter of Credit is valid through \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 202\_\_ and thereafter shall be automatically extended without amendment for consecutive one year terms unless and until we provide at least thirty (30) days written notice to you prior to the end of then applicable term that we elect to terminate this Letter of Credit.

The stated amount of this Letter of Credit may be increased or decreased by an amendment to this Letter of Credit in the form of Exhibit III. Any such amendment shall become effective only upon acceptance by your signature on a hard or electronic copy of the amendment.

You shall not be bound by any written or oral agreement of any type between us and the SC Applicant or any other person relating to this credit, whether now or hereafter existing.

We hereby engage with you that your demand(s) for payment in conformity with the terms of this credit will be duly honored as set forth above. All fees and other costs associated with the issuance of and any drawing(s) against this Letter of Credit shall be for the account of the SC Applicant. All of the rights of the ISO set forth above shall inure to the benefit of your successors. In this connection, in the event of a drawing made by a party other than the ISO, such drawing must be accompanied by the following signed certification:

“The undersigned does hereby certify that \_\_\_\_[drawer]\_\_\_\_ is the successor by operation of law to the ISO, a beneficiary named in [name of Bank] Letter of Credit no. \_\_\_\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[name and title]

Except so far as otherwise expressly stated herein, this documentary credit is subject to the “Uniform Customs and Practices for Documentary Credits,” International Chamber of Commerce, in effect on the date of issuance of this credit.

Yours faithfully,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(name of issuing bank)

By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**DEMAND FOR PAYMENT**

Re: Irrevocable and Unconditional Documentary Letter of Credit

No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dated \_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_

To Whom It May Concern:

Demand is hereby made upon you for payment to us of $\_\_\_\_\_\_\_\_\_\_\_ by deposit to our account no. \_\_\_\_\_\_\_\_\_\_ at [insert name of bank]. This demand is made under, and is subject to and governed by, your Irrevocable and Unconditional Documentary Letter of Credit no. \_\_\_\_\_\_\_\_\_\_ dated \_\_\_\_\_\_\_\_\_\_, \_\_\_\_ in the amount of $\_\_\_\_\_\_\_\_\_\_ established by you in our favor for the account of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as the SC Applicant.

DATED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_.

California Independent System Operator

By \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**STATEMENT**

Re: Your Irrevocable and Unconditional Documentary Letter of Credit

No. \_\_\_\_\_\_\_\_\_\_\_\_\_ Dated \_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_

To Whom It May Concern:

Reference is made to your Irrevocable and Unconditional Documentary Letter of Credit no. \_\_\_\_\_\_\_\_\_\_, dated \_\_\_\_\_\_\_\_\_\_, \_\_\_\_ in the amount of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ established by you in our favor for the account of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

We hereby certify to you that $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is due and owing to us by the SC Applicant.

DATED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_.

California Independent System Operator Corporation

By \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**AMENDMENT**

Re: Irrevocable and Unconditional Documentary Letter of Credit

No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_

Beneficiary: SC Applicant:

California Independent System [Name and Address]  
Operator Corporation

250 Outcropping Way

Folsom, CA 95630

Attn: Treasury

To Whom It May Concern:

The above referenced Irrevocable and Unconditional Documentary Letter of Credit is hereby amended as follows: by increasing / decreasing *(strike one)* the stated amount by $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to a new stated amount of $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. All other terms and conditions of the Letter of Credit remain unchanged.

This amendment is effective only when accepted by the ISO, which acceptance may only be valid by a signature of an authorized representative.

Dated: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Yours faithfully,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[name of issuing bank]

By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ACCEPTED

California Independent System Operator Corporation

By \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Note to Issuer: The Letter of Credit must be payable in U.S. dollars within the continental U.S. [↑](#footnote-ref-1)