**FORM OF LETTER OF CREDIT**

***Issuing Bank Letterhead and Address***

STANDBY LETTER OF CREDIT NO. XXXXXXXX

**Date:** \_\_\_\_\_\_\_\_

|  |  |  |  |
| --- | --- | --- | --- |
| Beneficiary: | Pacific Gas and Electric Company | Applicant: |  |
|  | 300 Lakeside Drive, Ste 210 |  |  |
|  | Oakland, CA 94612 |  |  |
|  | Attn: Electric Grid Interconnection Pamela Pena & Rachel Martinez |   |  |

**Letter of Credit Amount: US $\_\_\_\_\_\_\_\_\_**

**Expiry Date:**

Ladies and Gentlemen:

By order of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Applicant”) for the \_\_\_\_\_\_\_\_\_\_\_\_\_ project (Queue #) (the “Project”), \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Bank” ) hereby issues in favor of Pacific Gas and Electric Company (the “Beneficiary”) this irrevocable standby letter of credit No. \_\_\_\_\_\_\_\_ (the “Letter of Credit”), for the account of Applicant, for drawings up to but not to exceed the aggregate sum of U.S. $\_\_\_\_\_\_\_\_\_\_\_ (\_\_\_\_\_\_\_\_\_\_\_\_Dollars and no cents) (the “Letter of Credit Amount”), which is the cost responsibility assigned to [ Insert name of party entering into a GISPA, LGISPA,SGIP, LGIP, GIP, GIDAP or GIA with Beneficiary] for Beneficiary’s Interconnection Facilities/Network Upgrades [Separate LC’s are Required for IF and NU] related to the Project, pursuant to the California Independent System Operator Tariff.

This Letter of Credit is available with the Bank by sight payment, at the Bank’s offices located at the address stated below, effective immediately, and it will expire at close of business on \_\_\_\_\_\_\_\_\_ (the “Expiry Date”).

Funds under this Letter of Credit are available to the Beneficiary against presentation of the following documents (which may be presented by physical delivery or by facsimile, e-mail or other electronic transmission):

1. Beneficiary’s signed and dated sight draft in the form of Exhibit A hereto, referencing this Letter of Credit No. [Insert number] and stating the amount of the demand; and

2. One of the following statements signed by an authorized representative or officer of Beneficiary:

A. “ Beneficiary is entitled to draw under Letter of Credit No. [Insert number] amounts owed to Beneficiary by  **[Insert** name of party entering into one of the following enumerated studies/agreements with Beneficiary] pursuant to that certain Pro Forma Generator Interconnection Study Process Agreement (GISPA)/ Pro Forma Large Generator Interconnection Study Process Agreement (LGISPA) dated\_\_\_\_\_\_\_\_\_, [Date of the study that references the security amount requiring to be posted] the Small Generator Interconnection Procedures (SGIP)/Large Generator Interconnection Procedures (LGIP)/ Generator Interconnection Procedures (GIP)/Generator Interconnection and Deliverability Allocation Procedures (GIDAP) for Interconnection Requests, or any Generator Interconnection Agreement (GIA) executed thereafter between **[Insert name of party entering into one or more of the studies/agreements listed in this paragraph.]**, Beneficiary and the California Independent System Operator;” or

B. “Letter of Credit No. [Insert number] will expire in thirty (30) days or less and **[Insert name of party entering into a LGISPA, SGIP, LGIP, GIP, GIDAP, or GIA with Beneficiary]** has not provided replacement security acceptable to Beneficiary.”

Special Conditions:

1. Partial and multiple drawings under this Letter of Credit are allowed;

2. All banking charges associated with this Letter of Credit are for the account of the Applicant;

3. This Letter of Credit is not transferable; and

4. The Expiry Date of this Letter of Credit shall be automatically extended without an amendment hereto for a period of one year from the current Expiry Date and any future Expiry Date, unless at least 90 days prior to the Expiry Date the Bank sends written notice to the Beneficiary by express courier that this letter of credit will not be so extended.

5. The bank represents that it has a credit rating, assigned to its senior unsecured long- term debt obligations, of A or better by Standard & Poor’s Financial Services, LLC (S&P) or A2 or better by Moody’s Investors Service, Inc. (Moody’s), or, if it does not have a rating for its senior unsecured long-term debt, then the ratings assigned as an issuer/corporate rating by S&P and Moody’s are at least as high. The bank agrees to notify PG&E immediately if its credit rating is decreased by either S&P or Moody’s.

The Bank engages with Beneficiary that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation, on or before the Expiry Date (or after the Expiry Date as provided below), at the Bank’s offices located at [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_].

All demands for payment shall be made either by presentation of original drawing documents and a copy of this Letter of Credit or by facsimile, email or other electronic transmission of documents to [fax number], Attention: [Name/department], with original drawing documents and a copy (but not the original, if not then readily available) of this Letter of Credit to follow by overnight mail. If presentation is made by facsimile, e-mail or other electronic transmission, Beneficiary may contact the Bank at [phone number] to confirm receipt of the transmission. Beneficiary’s failure to seek such a telephone confirmation does not affect the Bank’s obligation to honor such a presentation.

The Bank’s payments against complying presentations under this Letter of Credit will be made no later than on the sixth (6th) banking day following a complying presentation.

Except as stated herein, this Letter of Credit is not subject to any condition or qualification. It is the Bank’s individual obligation, which is not contingent upon reimbursement and is not affected by any agreement, document, or instrument between us and the Applicant or between the Beneficiary and the Applicant or any other party.

Except as otherwise specifically stated herein, this Letter of Credit is subject to and governed by the *Uniform Customs and Practice for Documentary Credits, 2007 Revision,* International Chamber of Commerce (ICC) Publication No. 600 (the “UCP 600”); provided that, if this Letter of Credit expires during an interruption of the Bank’s business as described in Article 36 of the UCP 600, the Bank will honor drafts presented in compliance with this Letter of Credit within thirty (30) days after the resumption of the Bank’s business and effect payment accordingly.

The electronic copy of this Letter of Credit shall be the operative instrument until such time as the original is received. This Letter of Credit can be amended or terminated by facsimile, e-mail or other electronic transmission.

The law of the State of New York shall apply to any matters not covered by the UCP 600.

For telephone assistance regarding this Letter of Credit, please contact the Bank at [\_\_\_\_\_\_\_\_\_].

Very truly yours,

|  |
| --- |
| The Bank  |
| By: |  |
|  | Authorized Signature |
| Name: | [print or type name] |
| Title: |  |

**Exhibit A SIGHT DRAFT**

TO

[INSERT NAME AND ADDRESS OF PAYING BANK]

AMOUNT: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ DATE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

AT SIGHT OF THIS DEMAND PAY TO THE ORDER OF PACIFIC GAS AND ELECTRIC COMPANY THE AMOUNT OF U.S. $\_\_\_\_\_\_\_\_ (\_\_\_\_\_\_\_\_\_\_\_\_\_\_ U.S. DOLLARS)

DRAWN UNDER [INSERT NAME OF ISSUING BANK] LETTER OF CREDIT NO. XXXXXX.

REMIT FUNDS AS FOLLOWS:

[INSERT PAYMENT INSTRUCTIONS]

 DRAWER

 BY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 NAME AND TITLE