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**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 the requirements of SCE’s grid interconnection tariffs (SCE’s Rule 21, Wholesale Distribution Access Tariff, or Transmission Owner Tariff), or the terms of the Generator Interconnection Agreement (GIA), as applicable. SCE’s standard form of the LOC is provided starting on page 2 of this document. All fields shown in yellow highlighting must be completed.

SCE’s criteria for accepting an LOC includes the following:

1. 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,
2. The issuing bank must be a United States bank or a United States branch of a foreign bank.

SCE’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 SCE’s standard forms, without modification, will ensure that the terms and conditions of the Security are acceptable to SCE. If the issuer seeks modification to any of the conditions, SCE recommends that prior to submission, a draft of the Security should be sent to your SCE Project Manager and to the following email address: scecollateral@sce.com. Please allow at least two (2) Business Days for SCE’s review of the draft Security.

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

Southern California Edison Company

2244 Walnut Grove Avenue

GO1, Quad 2B

Rosemead, CA 91770

Principal Manager of Treasury Operations

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

**FORM OF STANDBY LETTER OF CREDIT**

[Issuing bank’s letterhead]

IRREVOCABLE STANDBY LETTER OF CREDIT NO.: [*INSERT NO.*]

ISSUE DATE:

SCE CONTRACT NO.: [*OBTAIN FROM SCE PROJECT MANAGER*]

PROJECT NAME: [*OBTAIN FROM SCE PROJECT MANAGER*]

FOR THE PURPOSE OF: [*QC14 AND EARLIER: IFS POSTING OF IF/DU, IFS- POSTING OF N/U, ITCC, ETC..]*

*[QC15 AND LATER: COMMERCIAL READINESS DEPOSIT, GIA DEPOSIT, MERCHANT ZONE DEPOSIT, ITCC, ETC.]*

ISSUING BANK:

ISSUING BANK NAME

ADDRESS

CITY, STATE, XXXXX-XXXX

FACSIMILE NO. (FAX): [*INSERT FAX NUMBER*]

EMAIL ADDRESS: [*INSERT EMAIL ADDRESS*]

ATTENTION:

BENEFICIARY:

SOUTHERN CALIFORNIA EDISON COMPANY

2244 WALNUT GROVE AVENUE

GO#1, QUAD 2B

ROSEMEAD, CA 91770

EMAIL ADDRESS: SCECOLLATERAL@SCE.COM

ATTENTION: PRINCIPAL MANAGER OF TREASURY OPERATIONS

AVAILABLE AMOUNT: [*INSERT AMOUNT IN WORDS AND NUMBERS*]

EXPIRATION DATE: [*INSERT DATE*]

AT THE REQUEST AND FOR THE ACCOUNT OF [*INSERT NAME OF ACCOUNT PARTY OR ACCOUNT PARTY ON BEHALF OF COUNTERPARTY*], LOCATED AT [*INSERTADDRESS OF ACCOUNT PARTY*], [*INSERT NAME OF ISSUING BANK*] LOCATED AT[*INSERT PLACE OF ISSUANCE*] (“WE” OR “US”), ISSUE THIS IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER [*INSERT REFERENCE NO*.] IN FAVOR OF SOUTHERN CALIFORNIA EDISON COMPANY, LOCATED AT 2244 WALNUT GROVE AVENUE, GO#1, QUAD 2B, ROSEMEAD, CA 91770 ( “BENEFICIARY” OR “YOU”) IN THE MAXIMUM AGGREGATE AMOUNT OF USD [*INSERT AMOUNT IN WORDS AND NUMBERS*].

 ISSUER UNDERTAKES TO BENEFICIARY TO PAY, WITHIN THREE (3) BUSINESS DAYS OF ITS RECEIPT, BENEFICIARY’S MAILED OR FAXED DEMAND FOR PAYMENT FOR AN AMOUNT AVAILABLE UNDER THIS LETTER OF CREDIT IN THE FORM OF THE ATTACHED PAYMENT DEMAND COMPLETED AND SIGNED AS INDICATED AND PRESENTED TO US (I) AT [*INSERT ADDRESS OF PLACE FOR PRESENTATION*] OR (II) BY FAX AT [*INSERT FAX NUMBER*], ATTENTION: [*IDENTIFY BANK’S LETTER OF CREDIT DEPT.*], AND IF PRESENTED BY FAX, PRECEDED BY A CALL TO US AT [*INSERT NUMBER*] OR [*INSERT ALTERNATIVE NUMBER*], IN EACH CASE ON OR BEFORE THE EXPIRATION DATE OF THIS LETTER OF CREDIT.

THE EXPIRATION DATE OF THIS LETTER OF CREDIT IS [*INSERT DATE*]. IT IS A CONDITION OF THIS LETTER OF CREDIT THAT ITS EXPIRATION DATE SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR SUCCESSIVE ONE (1) YEAR PERIODS FROM ITS THEN CURRENT EXPIRATION DATE UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO ITS THEN CURRENT EXPIRATION DATE, WE SEND NOTICE TO YOU BOTH BY (I) OVERNIGHT COURIER, AT YOUR ADDRESS STATED ABOVE, AND (II) BY ELECTRONIC TRANSMISSION TO YOU AT YOUR EMAIL ADDRESS STATED ABOVE, THAT WE ELECT NOT TO EXTEND THE EXPIRATION DATE OF THIS LETTER OF CREDIT FOR ANY SUCH ADDITIONAL PERIOD.

PARTIAL AND MULTIPLE DRAWINGS ARE PERMITTED. ANY PAYMENT MADE UNDER THIS LETTER OF CREDIT SHALL REDUCE THE AMOUNT AVAILABLE UNDER IT.

ALL NOTICES TO YOU FROM US SHALL BE IN WRITING SENT BY OVERNIGHT COURIER OR DELIVERED IN PERSON TO YOU AT YOUR ADDRESS STATED ABOVE AND CONFIRMED BY ELECTRONIC TRANSMISSION TO YOU AT YOUR EMAIL ADDRESS STATED ABOVE.

EXCEPT IN THE CASE OF AN INCREASE IN ITS STATED AMOUNT OR EXTENSION OF ITS EXPIRATION DATE, WE WILL NOT MODIFY, REVOKE OR TERMINATE THIS LETTER OF CREDIT WITHOUT BENEFICIARY’S PRIOR WRITTEN CONSENT.

 THIS LETTER OF CREDIT IS ISSUED SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES 1998, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (ISP98) AND IS GOVERNED BY THE LAWS OF THE STATE OF [*INSERT NEW YORK OR CALIFORNIA*]. ANY LITIGATION RELATED TO THIS LETTER OF CREDIT SHALL BE BROUGHT AND ENFORCED IN, AND WILL BE UNDER THE EXCLUSIVE JURISDICTION AND VENUE OF, THE COURTS OF THE STATE OF CALIFORNIA IN LOS ANGELES COUNTY OR THE FEDERAL COURTS OF THE UNITED STATES FOR THE CENTRAL DISTRICT OF CALIFORNIA.

ALL INQUIRIES CONCERNING THIS LETTER OF CREDIT MAY BE DIRECTED TO OUR LETTER OF CREDIT DEPARTMENT QUOTING OUR LETTER OF CREDIT NUMBER [*INSERT NUMBER*], USING EITHER OF THE FOLLOWING CONTACT DETAILS:

TELEPHONE: [*INSERT NUMBER*]

EMAIL ADDRESS: [*INSERT EMAIL ADDRESS*]

AUTHORIZED SIGNATURE FOR BANK

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

**PAYMENT DEMAND**

dATE: [*INSERT DATE*]

To: [*Name, address and fax number of issuing bank*] (“ISSUER”)

RE: Letter of Credit no. [*INSERT NO.*]

Southern California Edison Company (“Beneficiary”) hereby MAKES DEMAND UNDER ISSUER’S LETTER OF CREDIT NO. [*INSERT NUMBER*] FOR PAYMENT OF USd [*INSERT DOLLAR AMOUNT*]. IN SUPPORT THEREOF, BENEFICIARY STATES:

(1) The undersigned is AN AUTHORIZED REPRESENTATIVE of Beneficiary and is authorized to execute and deliver this Certificate on behalf of Beneficiary.

(2) beneficiary is entitled to draw the amount set forth in THIS PAYMENT DEMAND because: (check as applicable)

[ ], THE drawing IS MADE pursuant to THE TERMS OF [*INSERT TARIFF NAME: [GIP (ATTACHMENT I TO WDAT), OR RIP (ATTACHMENT M TO WDAT), OR GIDAP (APPENDIX DD TO CAISO TARIFF), OR RIS (APPENDIX KK TO CAISO TARIFF)] (AS MAY BE AMENDED FROM TIME TO TIME) (THE “TARIFF”) OR [INSERT AGREEMENT NAME*] BETWEEN BENEFICIARY AND [*INSERT NAME OF ACCOUNT PARTY OR ACCOUNT PARTY ON BEHALF OF COUNTERPARTY*], DATED [*INSERT DATE*], As AMENDED.

[ ] the Letter of Credit will expire within TWENTY (20) days or less of the date of this DEMAND and has not been replaced by new credit support acceptable to Beneficiary.

(3) You are directed to make WIRE TRANSFER payment TO BENEFICIARY IN THE AMOUNT of THIS DEMAND AS FOLLOWS:

Southern California Edison Company

Account No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Bank: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ABA Routing No. \_\_\_\_\_\_\_\_\_\_

SOUTHERN CALIFORNIA EDISON COMPANY

BY ITS Authorized REPRESENTATIVE:

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

PRINTED Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_