Bond Number: ______________________

Annual Premium: _____________________

INTERCONNECTION PAYMENT BOND
Pursuant To FERC Regulations for Interconnection Financial Security

KNOW ALL MEN BY THESE PRESENTS, that we, ____
as Principal ("Principal") and ____
as Surety ("Surety") are held and firmly bound unto ___________________________________
as Obligee ("Obligee") in the penal amount of $__________________________ ($ ________________),
lawful money of the United States of America for the payment of which amount Principal and Surety bind themselves, their successors, executors, administrators and assigns, jointly and severally firmly by these presents

WHEREAS, Principal and Obligee have entered into an Agreement as follows:

☐ Interconnection process governed by ______________________

Instructions: If the surety bond is being posted prior to the Interconnection Agreement being executed then enter the State Specific Tariff that governs the obligations.

Example: California Independent System Operator Corporation Fifth Replacement FERC Electric Tariff as of December 19 2014

☐ that certain Interconnection Agreement between the parties that contains provisions for Principal to post Interconnection Financial Security as provided for under State and FERC regulations at the time the agreement was executed dated _____________ for the following project:

Instructions: Enter the full name and description of the project

Collectively referred to as "Agreement".

WHEREAS, should Principal default or withdraw, Principal is obligated to the extent provided for in the Agreement up to the penal amount of the bond, including consideration of any net credits in the project accounts, conditions for partial recovery or reductions in penalties as outlined in the Agreement, including but not limited to failure to obtain a power purchase agreement, failure to secure a necessary permit, an increase in cost of the transmission operator facilities, or material change in the facilities, as applicable.

NOW, THEREFORE THE CONDITION OF THIS OBLIGATION IS SUCH, that if the said Principal shall comply with the conditions of the Agreement as referenced above, then this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, THAT THIS BOND IS EXECUTED BY THE PRINCIPAL AND SURETY AND ACCEPTED BY THE OBLIGEE SUBJECT TO THE FOLLOWING EXPRESS CONDITIONS:

1) This bond is effective as of the date executed and shall be continuous without amendment until canceled or exonerated.

2) This bond is automatically cancelled, and Surety exonerated, when the obligations of the Principal under the Agreement have been fulfilled, or the Agreement terminated by mutual consent of Obligee and Principal.

3) That this bond may be cancelled by Surety by 60 days prior notice in writing from Surety to Principal and to Obligee that the Surety elects not to renew this bond for any such additional period.

4) Any notice of cancellation must be delivered to Obligee by registered or certified mail, unless the Obligee has acknowledged receipt of cancellation notice by email, addressed to:

    Instructions: enter obligee address.

5) Such termination or cancellation shall not affect any liability incurred or accrued under this bond prior to the effective date of such termination or cancellation. It is understood and agreed that the Obligee may recover the full amount of the bond (less any previous amounts paid to Obligee under the bond) if Surety cancels or nonrenews the bond and, within thirty (30) days prior to the effective date of cancellation or nonrenewal, Obligee has not received collateral acceptable to it to replace the bond.

6) The obligation of Surety shall arise when Principal is notified to cure a default, with concurrent notice to Surety, and does not cure the default within the timeframe required under the Agreement, such cure period not to exceed 30 days.

    a) If there is no Obligee Default, the Surety's obligation under this Bond shall arise after:

        i) The Obligee has notified the Principal and the Surety that the Obligee is considering declaring a Principal Default and has requested and attempted to arrange a conference with the Principal and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Agreement. If the Obligee, the Principal and the Surety agree, the Principal shall be allowed a reasonable time to perform the Agreement, but such an agreement shall not waive the Obligee's right, if any, subsequently to declare a Principal Default, and

        ii) The Obligee has declared a Principal Default and formally terminated the Principal's right to complete the Agreement. Such Principal Default shall not be declared earlier than Thirty days (30) after the Principal and the Surety have received notice, and

        iii) The Obligee has agreed to pay the Remaining Balance Due under the Agreement to the Surety in accordance with the terms of the Agreement or to an entity selected to perform the Agreement in accordance with the terms of the Agreement with the Obligee.

7) When the Obligee has satisfied the conditions of Paragraph 6, the Surety shall promptly and at the Surety's expense take one of the following actions:

   a) Arrange for the Principal, with consent of the Obligee, to perform and complete the Agreement.

   b) Undertake to perform and complete the Agreement itself, through its agents or through independent entities.

   c) Obtain bids or negotiated proposals from qualified entities acceptable to the Obligee for performance and completion of the Agreement, arrange for a contract to be prepared for execution by the Obligee and the entity selected with the Obligee's concurrence, to be secured with replacement Bond executed by a qualified surety equivalent to the bonds issued on the Agreement, and pay to the Obligee the difference between the replacement contract amount and the Remaining Balance Due under the Agreement.

   d) Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

      i) After investigation determine the amount for which it may be liable to the Obligee and, as soon as practicable after the amount is determined tender payment therefor to the Obligee, or

      ii) Deny liability in whole or in part and notify the Obligee citing reasons therefor.

8) If the Surety does not proceed as provided in Paragraph 7 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the Obligee to the Surety demanding that the Surety perform its obligations under this Bond, and the Obligee shall be entitled to enforce any remedy available to the Obligee. If the Surety proceeds as provided in Subparagraph 7di, and the Obligee refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the Obligee shall be entitled to enforce any remedy available to the Obligee.

9) After the Obligee has terminated the Principal's right to complete the Agreement, and if the Surety elects to act under Subparagraph 7a, 7b or 7c above, then the responsibilities of the Surety to the Obligee shall not be greater than those of the Principal under the Agreement, and the responsibilities of the Obligee to the Surety shall not be greater than those of the Obligee under the Agreement.

10) The Surety shall not be liable to the Obligee or others for obligations of the Principal that are unrelated to the Agreement, and the Remaining Balance Due under the Agreement shall not be reduced or set off on account of any such unrelated obligations.

11) No right of action shall accrue under this bond to or for the use or benefit of anyone other than the named Obligee or its successors or assigns.

12) No assignment by the Principal shall be effective without the written consent of the surety.

13) All suits or actions on this bond must be brought within Ninety (90) days of the termination of the Agreement or Bond, whichever shall occur first.

14) If any conflict or inconsistency exists between the Surety's obligations as described in the Bond and as described in the underlying Agreement, then the terms of the Bond shall prevail.

15) The Surety's liability under this bond shall not extend in any manner nor will the Surety be responsible to pay any sums due related to hazardous waste cleanup, wetlands mitigation, remediation actions or removal or responsibility for any of these pollution risks whatsoever or for tort liability.

16) No modification of the Agreement guaranteed by this bond shall be binding on the Surety or covered by this bond without the written consent of the Surety.

17) This bond shall not bind the surety unless the bond is accepted by the Obligee. The acknowledgment and acceptance of such bond is demonstrated by signing where indicated below. If this obligation is not accepted by way of signature of the Obligee below, this bond shall be deemed null and void.

18) Regardless of the number of years this bond is in force, Surety shall not be liable hereunder for a larger amount, in the aggregate, than the Maximum Amount listed above.

19) This Bond shall be governed by and construed in accordance with the laws of the state of __________ _________________.

SIGNED, SEALED AND DATED this____ day of________ , _______.

Principal

____
By:

Surety

____
By:
Attorney-in-fact

The above terms and conditions of this bond have been reviewed and accepted by
____, **the Obligee**.

Acknowledged and Accepted:

By: ____

Printed Name: __________________________________

Title: ____

Date: ____