

Bond No. \_\_\_\_\_

Premium: \_\_\_\_\_

**INTERCONNECTION PAYMENT BOND**  
**Pursuant To FERC Section 9.1 Types of Interconnection Financial Security - (f) payment bond**

KNOW ALL MEN BY THESE PRESENTS, that we, \_\_\_\_\_ as Principal (“Principal”) and \_\_\_\_\_, a corporation duly organized under the laws of \_\_\_\_\_ with its principal office at \_\_\_\_\_ and authorized to engage in the surety business in the State of California (“Surety”) are held and firmly bound unto \_\_\_\_\_ (“Obligee”) in the Maximum Amounts set forth below in 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.

WHEREAS, Principal and obligee have entered into a Small Generator Interconnection Study Process Agreement (“SGISPA”) dated \_\_\_\_\_, and have executed or intend to execute a Small Generator Interconnection Agreement.

WHEREAS, the Maximum Amounts applicable to this Payment Bond are as follows:

SGISPA: Maximum Amount \$ \_\_\_\_\_.

SGIA: Maximum Amount \$ \_\_\_\_\_.

WHEREAS, as to the SGISPA

- a. Should Principal default, Principal is obligated to the extent provided for in the SGISPA up to the penal amount of the bond.
- b. Should Principal withdraw, Principal is obligated to pay an amount equal to fifty percent of the scheduled estimated costs for Network Upgrades to Obligee (“50% Payment”).

WHEREAS, as to the SGIA, Principal is obligated to pay scheduled costs for the Distribution Upgrades, Participating TO’s Interconnection Facilities, and Network Upgrades (“Scheduled Costs”).

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 either the SGISPA or the SGIA.

Surety may cancel this bond with forty-five days notice to OBLIGEE, which notice would represent a default by Principal as respects its obligation to maintain security. Should Principal not cure the resulting default within the timeframe required under either the SGISPA or the SGIA, then OBLIGEE may file a claim against this Payment Bond.

NOW, THEREFORE, the condition of this obligation is such that if Principal shall pay the amount due under the SGISPA, on the one hand, or the Remaining Unpaid Scheduled Costs under the SGIA, on the other hand, whichever applies, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

PROVIDED, HOWEVER, that 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 Amounts listed above.

This Payment Bond shall be governed by and construed in accordance with the laws of the State of California.

SIGNED, SEALED AND DATED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Principal

\_\_\_\_\_

By:

Surety

\_\_\_\_\_

By: \_\_\_\_\_, Attorney-in-fact