



ISO New England - ISO New England Inc. Transmission, Markets and Services Tariff

Interconnection Process Related Commercial Readiness Deposits Instructions

Please Read before Submission

Below are the Commercial Readiness Deposit requirements for participation in the ISO New England (“ISO-NE”) interconnection process, along with FAQs, and ISO-NE approved templates. Payment for Commercial Readiness Deposits can currently be made in the form of cash, letter of credit or surety bond.

GENERAL INSTRUCTIONS

How do I make my Commercial Readiness Deposit with cash?

Commercial Readiness Deposits made in cash shall be submitted by electronic funds transfer (EFT) only. If paying with cash please contact the Billing Department at billingdept@iso-ne.com for banking instructions.

How do I make my Commercial Readiness Deposit with a surety bond?

All Commercial Readiness Deposit surety bonds must include the interconnection request number. The surety bond must conform to the approved surety bond template that can be found below. If the surety bond does not comply with the template, it will be rejected. We recommend that you submit a draft copy for review prior to issuing a final copy to avoid any delays.

If a customer is requesting any deviations from the surety bond template they must be submitted via tracked changes along with an explanation for such deviation(s). The ISO may consider such changes in its sole discretion.

All costs associated with obtaining and maintaining a surety bond are the responsibility of the Interconnection Customer.

All new or amended surety bond forms may be electronically submitted to creditdepartment@iso-ne.com for processing provided a hard copy original is received by Market and Credit Risk on the next business day.

Please note, ISO-NE expects the ‘go-live’ date of the bond form to be no sooner than September 1, 2025. Interconnection Customers can submit these forms in advance, but the start date of the bond can be no sooner than September 1, 2025.

The mailing address is:

ISO New England Inc.
One Sullivan Road
Holyoke MA 01040
Attn: Market and Credit Risk

How do I make my Commercial Readiness Deposit with a letter of credit?



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All Commercial Readiness Deposit letters of credit must include the interconnection request number. The letter of credit must conform to the approved letter of credit template that can be found below. If the letter of credit does not comply with the template, it will be rejected. We recommend that you submit a draft copy for review prior to the bank issuing a final copy to avoid any delays.

If a customer is requesting any deviations from the letter of credit template they must be submitted via tracked changes along with an explanation for such deviation(s). The ISO may consider such changes in its sole discretion.

All costs associated with obtaining and maintaining a letter of credit are the responsibility of the Interconnection Customer.

All new or amended letter of credit may be electronically submitted to creditdepartment@iso-ne.com for processing provided a hard copy original is received by Market and Credit Risk on the next business day.

The mailing address is:

ISO New England
One Sullivan Road
Holyoke MA 01040
Attn: Market and Credit Risk



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FAQ's and Other Considerations for Submitting a Commercial Readiness Deposits

Is there a cure period if an Interconnection Customer submits a letter of credit or surety bond by the appropriate deadline but it is administratively deficient?

Yes. In the event that the System Operator identifies an administrative deficiency with a submitted letter of credit or surety bond, the Interconnection Customer shall have ten (10) Business Days to cure the deficiency.

Can a bank or surety be an Affiliate of the Interconnection Customer?

No. The bank or surety cannot be an Affiliate of the Interconnection Customer.

How long does it take to process a new or amended letter of credit or surety bond?

Typically, processing a new or revised letter of credit will take up to four (4) business days. However, it may take less or more time depending on the circumstances. For surety bonds, both the processing steps and timing are subject to change based on the nature and complexity of the request.

Can a single letter of credit or surety bond be used for multiple Interconnection Customers?

No. Each Interconnection Customer must have their own letter of credit or surety bond in place for their own Commercial Readiness Deposit.

Can a letter of credit be issued on behalf of the Interconnection Customer?

Yes. The account party on a letter of credit must be either the Interconnection Customer who is providing the Commercial Readiness Deposit or an Affiliate of that Interconnection Customer.

What criteria must an issuer of a surety bond have?

All surety bonds submitted for Commercial Readiness Deposits must be Issued by a US Treasury-listed Surety (found here: [US Treasury Surety List](#)) with a minimum "A-" long-term rating from either A. M. Best, S&P, Fitch, or an "A3" long-term rating from Moody's (Note: senior unsecured debt rating can be used if no corporate / issuer / financial strength rating). ISO NE will consider the lowest applicable rating to be the rating of the surety. A surety issuer needs to be rated by at minimum one of the above agencies for consideration. The list of approved issuers can be found here: [ISO Approved Surety Issuers](#).

If after the surety bond has been issued, the long-term rating of the issuer is less than the minimum required rating, ISO-NE will give the Interconnection Customer notice to submit substitute Financial Security no later than ten (10) Business Days after the notice.

Which banks are eligible to issue letters of credit?

The ISO maintains a list of "Eligible Letter of Credit Issuers" under Exhibit I.A (the Financial Assurance Policy) to the ISO New England Transmission, Markets and Services Tariff. The list of approved issuers can be found here: [Letter of Credit Banks /or ISO approved banks](#).

If after the letter of credit has been issued, the financial strength rating of the issuer is less than the minimum required rating, ISO-NE will give the Interconnection Customer notice to submit substitute Financial Security no later than ten (10) Business Days after the notice.



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Will the ISO consider accepting a letter of credit from a bank that is not currently on the list of Eligible letter of Credit Issuers?

If there is a request to use a bank that is not on the Eligible Letter of Credit Issuers list, the ISO will evaluate such request consistent with, but not governed by, the requirements set forth in the Financial Assurance Policy.

Can a company have more than one currently effective letter of credit or surety bond?

Yes. There is no limit to how many letters of credit or surety bonds may be issued so long as they comply with the ISO's requirements for such letters of credit or surety bonds, including the aggregation limits described below.

Is there a limit to how much a single bank or surety can issue to any one company?

Yes. No bank may issue letters of credit for Commercial Readiness Deposits in an amount exceeding either: (i) \$100 million in the aggregate for any single company; or (ii) \$150 million in aggregate for a group of companies that are Affiliates.

The Surety shall not issue a Bond Amount which exceeds the lesser of (i) \$100 million in the aggregate for any single company or result in an amount greater than \$150 million in aggregate for a group of companies that are Affiliates, or (ii) the Surety's underwriting limitation, as set forth by the U.S. Treasury in the most recent Circular 570 or its successor.

ISO NE maintains the right to reject a letter of credit or surety bond issuer in its sole discretion if it determines that acceptance of a letter of credit or surety bond from such issuer would present an unreasonable risk that the bank or surety may fail to honor the terms of such letter of credit or surety bond.

How do I change the amount of the letter of credit or surety bond that is currently effective?

To change the amount of an existing letter of credit or surety bond, the issuing bank or surety is required to send an original amendment to Market and Credit Risk indicating what the new amount the letter of credit or surety bond is in accordance with the terms of the original letter of credit or surety bond.

Who can I contact if I have letters of credit or surety bond related questions?

All questions and inquiries may be submitted via the Ask ISO system located at: <https://askiso.iso-ne.com> or by contacting Participant Support and Solutions at AskISO@iso-ne.com or by phone at 413-540-4220.

In the case of any discrepancy between Sections 3.1 of Schedules 22, 23, or 25 of the ISO New England Open Access Transmission Tariff ("OATT") and these FAQs, the OATT shall govern. The Letter of Credit for Commercial Readiness Deposits Instructions, FAQs, and approved template are solely for Commercial Readiness Deposits under Sections 3.1 of Schedules 22, 23, and 25 of the OATT. Please refer to Exhibit IA (the Financial Assurance Policy) to the ISO New England Transmission, Markets and Services Tariff (the "Tariff") for any questions regarding the use of letters of credit for financial assurance obligations.

SAMPLE STANDBY LETTER OF CREDIT

[DATE PROVIDED]

IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT NO.

Interconnection Reference No. []

[EXPIRATION DATE]

WE DO HEREBY ISSUE THIS IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT BY ORDER OF AND FOR THE ACCOUNT OF [POSTING ENTITY OR AFFILIATE OF POSTING ENTITY ON BEHALF OF POSTING ENTITY] (“ACCOUNT PARTY”) IN FAVOR OF ISO NEW ENGLAND INC. (“ISO” OR “BENEFICIARY”) (“STANDBY LETTER OF CREDIT”).

THIS STANDBY LETTER OF CREDIT IS IRREVOCABLE AND IS ISSUED, PRESENTABLE AND PAYABLE AND WE GUARANTY TO THE DRAWERS, ENDORSERS AND BONA FIDE HOLDERS OF THIS STANDBY LETTER OF CREDIT THAT DRAFTS UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT WILL BE HONORED ON PRESENTATION OF THIS STANDBY LETTER OF CREDIT.

THIS STANDBY LETTER OF CREDIT IS AVAILABLE IN ONE OR MORE DRAFTS AND MAY BE DRAWN HEREUNDER FOR THE ACCOUNT OF THE ACCOUNT PARTY UP TO AN AMOUNT NOT EXCEEDING US\$ _____.00 (UNITED STATES DOLLARS _____ AND 00/100) .

THIS STANDBY LETTER OF CREDIT IS DRAWN AGAINST BY PRESENTATION TO US AT OUR OFFICE LOCATED AT THE FOLLOWING ADDRESS:

_____;

OF A DRAFT IN THE FORM OF A DRAWING CERTIFICATE THAT IS SIGNED BY A PURPORTED OFFICER OR AUTHORIZED AGENT OF THE ISO AND DATED THE DATE OF



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PRESENTATION CONTAINING THE FOLLOWING STATEMENT IN (1) BELOW ALONG WITH THE APPROPRIATE STATEMENT IN (2) BELOW:

(1) “THE UNDERSIGNED HEREBY CERTIFIES TO [BANK] (“ISSUER”), WITH REFERENCE TO IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT NO. [-----] (THE “STANDBY LETTER OF CREDIT”) ISSUED BY ISSUER IN FAVOR OF ISO NEW ENGLAND INC. (“ISO”), THAT

(2) [POSTING ENTITY] IS SUBJECT TO A WITHDRAWAL PENALTY FOR THE INTERCONNECTION REQUEST ASSOCIATED WITH THE LETTER OF CREDIT, , IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THE TARIFF FILED BY THE ISO, AND THUS THE ISO IS DRAWING UPON THE STANDBY LETTER OF CREDIT IN AN AMOUNT EQUAL TO \$_____];**OR**

[ISSUER HAS FAILED TO MAINTAIN A MINIMUM LONG-TERM DEBT RATING FROM ANY APPLICABLE RATING AGENCY (OR, IF THE ISSUER DOES NOT HAVE A MINIMUM LONG-TERM DEBT RATING, THEN A MINIMUM CORPORATE RATING) OF “A-” BY STANDARD AND POOR’S , OR “A3” BY MOODY’S OR “A-” BY FITCH, AND THUS THE ISO IS DRAWING UPON THE STANDBY LETTER OF CREDIT IN AN AMOUNT EQUAL TO \$_____ .]; **OR**

[INCLUDE ONLY IN FORM IF LETTER OF CREDIT HAS A FIXED EXPIRATION DATE:] [AS OF THE CLOSE OF BUSINESS ON _____, 20__ (FILL IN DATE WHICH IS WITHIN 30 DAYS BEFORE THE EXPIRATION DATE OF THE STANDBY LETTER OF CREDIT), [ACCOUNT PARTY] HAS FAILED TO RENEW THE STANDBY LETTER OF CREDIT IN A MANNER ACCEPTABLE TO THE ISO, AND THUS THE ISO IS DRAWING UPON THE STANDBY LETTER OF CREDIT IN AN AMOUNT EQUAL TO \$_____ .]; **OR**

[INCLUDE ONLY IN FORM IF LETTER OF CREDIT HAS AUTOMATIC RENEWAL LANGUAGE:] [AS OF THE CLOSE OF BUSINESS ON



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_____, 20__ (FILL IN DATE WHICH IS WITHIN 30 DAYS BEFORE THE EXPIRATION DATE OF THE STANDBY LETTER OF CREDIT IF NOT AUTORENEWING), WE HAVE BEEN PROVIDED NOTICE FROM [ACCOUNT PARTY] [ISSUER] THAT THE STANDBY LETTER OF CREDIT WILL NOT BE EXTENDED FOR AN ADDITIONAL ONE (1) YEAR PERIOD, AND THUS THE ISO IS DRAWING UPON THE STANDBY LETTER OF CREDIT IN AN AMOUNT EQUAL TO \$_____.]

IF PRESENTATION OF ANY DRAWING CERTIFICATE IS MADE ON A BUSINESS DAY AND SUCH PRESENTATION IS MADE AT OUR COUNTERS ON OR BEFORE 10:00 A.M. _____ TIME, WE SHALL SATISFY SUCH DRAWING REQUEST ON THE SAME BUSINESS DAY. IF THE DRAWING CERTIFICATE IS RECEIVED AT OUR COUNTERS AFTER 10:00 A.M. _____ TIME, WE WILL SATISFY SUCH DRAWING REQUEST ON THE NEXT BUSINESS DAY. FOR THE PURPOSES OF THIS SECTION, A BUSINESS DAY MEANS A DAY, OTHER THAN A SATURDAY OR SUNDAY, ON WHICH THE FEDERAL RESERVE BANK OF NEW YORK IS NOT AUTHORIZED OR REQUIRED TO BE CLOSED. DISBURSEMENTS SHALL BE IN ACCORDANCE WITH THE INSTRUCTIONS OF THE ISO.

THE FOLLOWING TERMS AND CONDITIONS APPLY:

THIS STANDBY LETTER OF CREDIT SHALL EXPIRE AT THE CLOSE OF BUSINESS [DATE]

[INCLUDE ONLY IF LETTER OF CREDIT HAS A FIXED EXPIRATION DATE:] [IF [ACCOUNT PARTY] HAS FAILED TO RENEW THIS STANDBY LETTER OF CREDIT IN A MANNER ACCEPTABLE TO THE ISO, YOU MAY DRAW ON THIS STANDBY LETTER OF CREDIT WITHIN THE THIRTY (30) DAYS PRIOR TO THE EXPIRY DATE BY PRESENTING YOUR ONE OR MORE PAYMENT DEMANDS TO US FOR AN AGGREGATE AMOUNT UP TO THE UNUSED BALANCE OF THIS STANDBY LETTER OF CREDIT.]



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[INCLUDE ONLY IF LETTER OF CREDIT IS TO HAVE AUTOMATIC RENEWAL LANGUAGE:] [IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT IT WILL BE AUTOMATICALLY EXTENDED WITHOUT AN AMENDMENT FOR A (1) YEAR PERIOD BEGINNING ON THE INITIAL EXPIRATION DATE HEREOF AND UPON EACH ANNIVERSARY OF SUCH DATE, UNLESS AT LEAST [THIRTY (30) **OR** SIXTY (60) **OR** NINETY (90)] DAYS PRIOR TO ANY SUCH EXPIRATION DATE WE HAVE SENT YOU, OR THE ACCOUNT PARTY HAS SENT YOU, WRITTEN NOTICE BY REGULAR AND REGISTERED MAIL OR COURIER SERVICE THAT WE OR THE ACCOUNT PARTY ELECT NOT TO PERMIT THIS LETTER OF CREDIT TO BE SO EXTENDED, AND THAT THIS LETTER OF CREDIT WILL EXPIRE ON ITS THEN CURRENT EXPIRATION DATE. UPON RECEIPT OF SUCH NOTICE, YOU MAY DRAW ON THIS STANDBY LETTER OF CREDIT WITHIN THE THIRTY (30) DAYS PRIOR TO THE THEN RELEVANT EXPIRY DATE BY PRESENTING YOUR ONE OR MORE PAYMENT DEMANDS TO US FOR AN AGGREGATE AMOUNT UP TO THE UNUSED BALANCE OF THIS STANDBY LETTER OF CREDIT.]

IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT WE SHALL MAINTAIN A MINIMUM LONG-TERM DEBT RATING (OR, IF WE DO NOT HAVE A MINIMUM LONG-TERM DEBT RATING, THEN A MINIMUM CORPORATE RATING) OF “A-” BY STANDARD AND POOR’S, OR “A3” BY MOODY’S OR “A-” BY FITCH. IN THE EVENT THAT WE ARE RATED BY MULTIPLE RATING AGENCIES, IF ANY APPLICABLE RATING FROM THE RATING AGENCIES FALLS BELOW THE LEVELS LISTED, THEN WE SHALL NOT BE CONSIDERED TO HAVE SATISFIED THIS CONDITION. IN THE EVENT THAT WE DO NOT SATISFY THE CONDITION REQUIRED BY THIS PARAGRAPH, YOU MAY DEMAND PAYMENT FROM US AT THE ADDRESS ABOVE, BY PRESENTING YOUR ONE OR MORE PAYMENT DEMANDS TO US FOR AN AGGREGATE AMOUNT UP TO THE UNUSED BALANCE OF THIS STANDBY LETTER OF CREDIT.

THE AMOUNT WHICH MAY BE DRAWN BY YOU UNDER THIS STANDBY LETTER OF CREDIT SHALL BE AUTOMATICALLY REDUCED BY THE AMOUNT OF ANY



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DRAWINGS HEREUNDER AT OUR COUNTERS. ANY NUMBER OF PARTIAL DRAWINGS ARE PERMITTED FROM TIME TO TIME HEREUNDER.

ALL COMMISSIONS AND CHARGES WILL BE BORNE BY THE ACCOUNT PARTY.

THIS STANDBY LETTER OF CREDIT IS NOT TRANSFERABLE OR ASSIGNABLE. THIS STANDBY LETTER OF CREDIT DOES NOT INCORPORATE AND SHALL NOT BE DEEMED MODIFIED, AMENDED OR AMPLIFIED BY REFERENCE TO ANY DOCUMENT, INSTRUMENT OR AGREEMENT (A) THAT IS REFERRED TO HEREIN (EXCEPT FOR THE ISP, AS DEFINED BELOW) OR (B) IN WHICH THIS STANDBY LETTER OF CREDIT IS REFERRED TO OR TO WHICH THIS STANDBY LETTER OF CREDIT RELATES.

THIS STANDBY LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNATIONAL STANDBY PRACTICES (“ISP98”) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590, INCLUDING ANY AMENDMENTS, MODIFICATIONS, OR REVISIONS THEREOF (THE “ISP”), EXCEPT TO THE EXTENT THAT THE TERMS HEREOF ARE INCONSISTENT WITH THE PROVISIONS OF THE ISP, IN WHICH CASE THE TERMS OF THIS STANDBY LETTER OF CREDIT SHALL GOVERN. THIS STANDBY LETTER OF CREDIT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE COMMONWEALTH OF MASSACHUSETTS TO THE EXTENT THAT THE TERMS ARE NOT GOVERNED BY THE ISP.

THIS STANDBY LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE ISO AND ISSUER.

WE HEREBY ENGAGE WITH YOU THAT DOCUMENTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT SHALL BE DULY HONORED UPON PRESENTATION AS SPECIFIED AND WE REPRESENT THAT THE ACCOUNT PARTY IS NOT AN AFFILIATE OF THE ISSUER.



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PRESENTATION OF ANY DRAWING CERTIFICATE UNDER THIS STANDBY LETTER OF CREDIT MAY BE SENT TO US BY COURIER, CERTIFIED MAIL, REGISTERED MAIL, OR FACSIMILE (WITH A CONFIRMING COPY OF SUCH FACSIMILE SENT AFTER THE DRAWING BY CERTIFIED MAIL TO THE ADDRESS SET FORTH BELOW; PROVIDED HOWEVER, THAT THE CONFIRMING COPY SHALL NOT BE A PREREQUISITE FOR US TO HONOR ANY PRESENTATION OTHERWISE MADE IN ACCORDANCE WITH THE TERMS OF THIS STANDBY LETTER OF CREDIT), OR SUCH OTHER ADDRESS AS MAY HEREAFTER BE FURNISHED BY US. OTHER NOTICES CONCERNING THIS STANDBY LETTER OF CREDIT MAY BE SENT BY SIMILAR COMMUNICATIONS FACILITY TO THE RESPECTIVE ADDRESSES SET FORTH BELOW. ALL SUCH NOTICES AND COMMUNICATIONS SHALL BE EFFECTIVE UPON RECEIPT BY THE INTENDED RECIPIENT PARTY.

IF TO THE BENEFICIARY OF THIS STANDBY LETTER OF CREDIT:

ISO NEW ENGLAND INC.
ATTENTION: CREDIT DEPARTMENT
1 SULLIVAN RD. HOLYOKE, MA 01040
FAX: 413-540-4569
EMAIL: CREDITDEPARTMENT@ISO-NE.COM

IF TO THE ACCOUNT PARTY:

[NAME]
[ADDRESS]
[FAX]
[PHONE]

IF TO ISSUER:

[NAME]
[ADDRESS]
[FAX]



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[PHONE]

[SIGNATURE]

[SIGNATURE]



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SAMPLE SURETY BOND

Interconnection Customer As Principal:

SURETY:

[name, legal status, address]

[name, legal status, principal place of business]

Bond No. _____

Interconnection Request Date: []

Interconnection Request ID: []

Bond Effective Date (Not earlier than Interconnection Request Date): []

Bond Amount: \$[]

KNOW ALL PERSONS BY THESE PRESENTS: that we, [interconnection customer’s legal name], a [form of business entity and state of registration] as principal (“Principal”), and [surety’s legal name], a [form of business entity and state of registration] authorized to transact the business of surety in the Commonwealth of Massachusetts, as surety (“Surety”), are held and firmly bound unto ISO New England Inc., as obligee (the “ISO” or “Obligee”), in the sum of [total amount of Commercial Readiness Deposit required from Principal] Dollars (\$_____) in lawful money of the United States of America (the “Bond Amount”), for the payment of which sum well and truly to be made to Obligee, we the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by the terms set forth hereunder in this Surety Bond (“Surety Bond” or “Bond”).

WHEREAS, Obligee, as the System Operator under the ISO Tariff, is the central dispatching agency which has responsibility for the administration of the ISO Tariff and the operation of Administered Transmission System facilities within the New England Control Area including the New England Transmission System;

WHEREAS, Principal, intends to own, lease, control and/or operate a [Generating Facility/Elective Transmission Upgrade facility] identified as a [Large Generating Facility/Small Generating Facility/generating capacity addition to an existing Generating Facility/Elective Transmission Upgrade facility], and desires to interconnect to such [Generating Facility/generating capacity addition to an existing Generating Facility/Elective Upgrade Transmission facility] to Administered Transmission System facilities over which Obligee has operational authority;



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WHEREAS, Principal, as Interconnection Customer, has submitted an Interconnection Request dated [date of interconnection request – must be same or prior to Bond Effective Date] (the “Interconnection Request”) to Oblige pursuant and subject to the terms of Oblige’s Open Access Transmission Tariff contained in Section II of the ISO Tariff (the OATT), requesting interconnection of Principal’s [Large Generating Facility/Small Generating Facility/Elective Transmission Upgrade facility] pursuant to the [Large Generator/Small Generator/Elective Transmission Upgrade] Interconnection Procedures set forth in Schedule [22/23/25] of the OATT;

WHEREAS, in connection with and in furtherance of the Interconnection Request, Principal, Oblige, and [name of interconnecting transmission owner for the Interconnection Request], have entered or will enter into OATT Agreements pursuant to, and subject to the terms of, the OATT and ISO Tariff, including [list specific title and date of each OATT Agreement executed or effective on or before the Bond Effective Date] in accordance with the OATT and OATT Schedule [22/23/25];

WHEREAS, in accordance with the terms and provisions of the OATT and the interconnection procedures set forth in OATT Schedule [22/23/25], which apply to Principal’s Interconnection Request, Principal is required to provide to Oblige Commercial Readiness Deposits in accordance with the terms and provisions of the OATT and OATT Schedule [22/23/25];

WHEREAS, Surety is authorized to do business in the Commonwealth of Massachusetts, is United States Treasury-listed with a minimum “A- / A3” rating as further established and required herein, and in exchange for compensation paid by Principal, the receipt and sufficiency of which are hereby acknowledged by Surety, has issued this Surety Bond on behalf of Principal, in favor of Oblige, in connection with the terms and provisions in the OATT which require that Principal provide Commercial Readiness Deposits to Oblige in connection with Principal’s Interconnection Request;

WHEREAS, Principal has elected to perform its obligation to provide to Oblige the Commercial Readiness Deposits required by the terms of OATT Schedule [22/23/25], by having Surety issue this Bond in favor of Oblige.

NOW, THEREFORE, Surety and Principal hereby covenant and agree as follows:

1. Payment Upon Demand.

(a) Surety unconditionally, absolutely, and irrevocably agrees to promptly pay to Oblige, upon Oblige’s first written demand, any amount as is specified by Oblige in a written payment demand notice from Oblige to Surety (“**Payment Demand Notice**”) to be due and owing to Oblige by Principal as a Withdrawal Penalty assessed against Principal pursuant to and in accordance with the terms and provisions of the OATT (hereafter a “**Withdrawal Penalty Obligation**”) which has not been paid by Principal. Any such Payment Demand Notice shall: (i) state that a Withdrawal Penalty has been assessed by Oblige against the Principal in accordance with the OATT for which payment has not been made by Principal to Oblige, (ii) state the amount of such Withdrawal Penalty as determined by the Oblige, (iii) include Oblige’s



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demand that Surety pay such amount to Obligee, (iv) be signed by an officer or authorized agent of Obligee, (v) be dated the date of presentation, and (vi) be in form substantially similar to that set forth Attachment A to this Bond. Surety shall make payment to Obligee of the amount demanded in any such Payment Demand Notice, in the form and manner instructed therein by Obligee, within seven (7) business days after Surety's receipt of such Payment Demand Notice. No documents and/or information whatsoever are required to be provided to Surety to effectuate Surety's obligation to make payment pursuant to this Section of this Bond, other than Surety's receipt of a Payment Demand Notice in form substantially similar to that set forth in Attachment A to this Bond. Obligee's right to demand and receive payment under this Bond, and Surety's payment obligations under this Bond, are in addition to Obligee's other respective rights and obligations under this Bond.

(b) In the event Surety and/or Principal in any way dispute that Surety is obligated under this Bond to make payment to Obligee of the full amount demanded by Obligee in a Payment Demand Notice to Surety or dispute Surety's obligation to make payments to Obligee under this Bond up to the full Bond Amount, Surety shall, notwithstanding such dispute, make payment to Obligee of the full amount demanded in such Payment Demand Notice up to the full Bond Amount Bond, without setoff, abatement, reduction or counterclaim of any kind whatsoever, except for reduction in the amount of aggregate amount of payments made by Surety to Obligee in accordance with previously Payment Demand Notices.

2. Obligations Unconditional.

(a) Surety's obligations under Section 1 of this Bond are Surety's primary, absolute, unconditional, irrevocable, and independent guaranty to promptly make payment Obligee in accordance with the terms of this Bond, of any amount stated by Obligee to be due and owing by Principal as Withdrawal Penalty Obligation, and such obligations are independent of and not conditioned on Principal's liability with respect to any Withdrawal Penalty. To the fullest extent permitted by applicable law, the Surety's obligations under this Bond, including without limitation Section 1, are irrespective, of and shall not be affected by: (i) lack of validity, legality, or enforceability of Principal's Interconnection Request, Principal's obligations arising under or as a result of the OATT, or any OATT Agreements, (ii) any and all objections, exceptions, set-offs, counterclaims or defenses of any kind by Surety, Principal or other third parties; (iii) any substitution, release or exchange of any other guaranty of or security for any of Principal's obligations arising under, by reason of, or in connection with the OATT, Principal's Interconnection Request or any OATT Agreements; (iv) the existence or terms of any other agreements between Surety and any party, including the Principal; (v) any filing by or against the Principal under any debtor relief laws, including but not limited to Title 11 of the United States Code, as now or hereafter in effect, or any other applicable law, domestic or foreign, as now or hereafter in effect, relating to bankruptcy, insolvency, liquidation, receivership, reorganization, arrangement or composition, extension or adjustment of debts, or other debtor relief, or similar laws affecting the rights of creditors (collectively hereinafter "Debtor Relief Laws"); (vi) any



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investigation of, or the commencement of any proceeding or other action against, the Principal by any governmental agency or authority; (vii) any dispute between Obligee and Principal as to their respective rights and obligations arising from or related to the terms and provisions of the OATT, Principal's Interconnection Request, any OATT Agreements, and/or any Withdrawal Penalty; and (viii) any other circumstances whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety.

(b) Surety's obligations under this Bond are not conditioned upon Obligee first attempting to collect payment, resorting to any other means of security or collateral, or pursuing any other remedies Obligee may have. Obligee may bring an action against Surety without bringing an action against Principal. Obligee may, without notice or demand, and without affecting Surety's obligations or liability under this Bond, take and hold other security for Principal's obligations to Obligee and exchange, waive, release, or apply such security as Obligee deems, in good faith, appropriate in its sole discretion.

(c) Without limiting the generality of the foregoing, Surety expressly agrees and acknowledges that the occurrence of any one or more of the following shall not alter or impair the obligations or liability of Surety under this Bond (which shall remain absolute and unconditional as described above): (i) if at any time or from time to time, without notice to Surety, the OATT or the Principal's obligations thereunder, in relation thereto, or in relation to the Principal's Interconnection Request or any OATT Agreement are amended, increased, supplemented, or modified; or (ii) if at any time or from time to time, without notice to Surety, the time for any performance of, or compliance with, any of Principal's obligations and liabilities arising under or in relation to the OATT, Principal's Interconnection Request, or any OATT Agreement, which relate to Commercial Readiness Deposits or any Withdrawal Penalty, shall be extended, renewed, modified or supplemented.

3. No Validation of Payment Demand. Obligee may demand payment by the Surety pursuant to this Bond, and Surety shall make payment in accordance with this Bond, of the amount specified by Obligee in a Payment Demand Notice, without prior demonstration by Obligee of the validity of the demand including without limitation the amount of a Withdrawal Penalty as calculated and stated by Obligee in a Payment Demand Notice. Surety expressly waives any right to investigate or verify any matter, including factual matters, related to a demand by Obligee for payment by Surety under this Bond that would delay such payment or delivery of funds beyond the date by which Surety is required, pursuant to the terms of this Bond, to deliver such payment to Obligee after Surety's receipt of a Payment Demand Notice.

4. Multiple Payments. Obligee may demand multiple payments from Surety pursuant to this Bond by providing Payment Demand Notices to Surety, from time to time, in accordance herewith.



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5. Form of Payment. All sums payable by Surety to Obligee under this Bond shall be by wire transfer of immediately available funds, without offset, in lawful money of the United States of America, which shall at the time of payment be legal tender for the payment of public and private debts. All payments shall be remitted to Obligee's account as designated in the pertinent Payment Demand Notice to Surety, or as otherwise designated by Obligee in written notice to Surety.

6. Waiver of Defenses.

(a) Surety agrees that Obligee, without affecting the enforceability or effectiveness of this Bond in accordance with its terms, and without affecting, limiting, reducing, discharging or terminating the obligations and liability of Surety under this Bond, or the rights, remedies, powers and privileges of Obligee under this Bond, may at any time and from time to time, and without notice or demand of any kind or nature whatsoever to Surety, amend, supplement, modify, extend, renew, waive, accelerate or otherwise change the time for payment or performance of, or the terms of, all or any part of Principal's obligations arising under or in relation to the OATT, Principal's Interconnection Request, any OATT Agreement, including without limitation Principal's obligations relating to Commercial Readiness Deposits or any Withdrawal Penalty, and Surety, to the fullest extent permitted by law, hereby expressly waives any which Surety now has or in the future may have by reason of any such defense now or in the future arising, by reason of Obligee amending, supplementing, modifying, extending, renewing, waiving, accelerating or otherwise changing the time for payment or performance of, or the terms of, all or any part of Principal's aforesaid obligations.

(b) Further, to the fullest extent permitted by law, Surety hereby expressly waives any defense to performance or enforcement of its obligations and liability under this Bond which Surety now has or in the future may have by reason of:

1. lack of validity, legality, or enforceability of Principal's Interconnection Request, Principal's obligations arising under or as a result of the OATT, Principal's Interconnection Request, or any OATT Agreements;
2. any disability or other defense (including, without limitation, the defense of force majeure, breach of contract, breach of warranty, and fraud) with respect to all or any part of any obligation owed by Principal to Obligee;
3. Surety's failure to review or understand the activities of Principal or any changes to the OATT, Principal's Interconnection Request, or any OATT Agreement, or Principal's obligations arising thereunder or in relation thereto, it being acknowledged and agreed by Surety that Surety bears all responsibility for monitoring the activities of Principal and such changes;
4. the cessation, for any cause whatsoever, of the obligations and liability of Principal to Obligee arising under or in relation to the OATT, Principal's Interconnection Request, or any OATT Agreement (other than, subject to restoration and reinstatement as provided in



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- Section 9 of this Bond, by reason of the full payment and performance of all Withdrawal Penalty Obligation of Principal);
5. Obligee's taking, amendment to, or release of any additional security, guaranty or surety for Principal's obligations arising under or in relation to the OATT, Principal's Interconnection Request, or any OATT Agreement;
 6. Obligee's waiver or election of, or failure to pursue any right or remedy available to it, including, without limitation, Obligee's waiver or election of, or failure to pursue any right or remedy available to arising under or in relation to the OATT, Principal's Interconnection Request, or any OATT Agreement;
 7. any failure of Obligee to exhaust any cash collateral for all or any part of any obligation of Principal, to pursue or exhaust any right, remedy, power or privilege Obligee may have against Principal, or to take any action whatsoever to mitigate or reduce Surety's liability under this Bond, Obligee not being under any obligation to take any such action notwithstanding the fact that all or any part of any payment obligation owed by Principal to Obligee may due and payable and Principal may be in default of such obligations;
 8. any failure of Obligee to comply with applicable laws in connection with the disposition of any cash collateral for all or any part of any obligation owed by Principal to Obligee of which Principal is in default;
 9. any act or omission of Obligee or any other entity that directly or indirectly results in or aids the discharge or release of all or any part of any obligation owed by Principal to Obligee of which Principal is in default;
 10. any law which provides that the obligation of a surety under a surety bond must neither be larger in amount nor in other respects more burdensome than that of the bond principal or which reduces a surety's obligation in proportion to the bond principal's obligation;
 11. any and all rights to which Surety may be entitled by virtue of the laws of the Commonwealth of Massachusetts (or any other state) governing suretyship and guarantees, as any or all of the same may be amended or construed from time to time, or the common law of the Commonwealth of Massachusetts (or any other state) at all relevant times;
 12. any counterclaim, set-off (including as permitted by 11 U.S.C. § 362) or other claim which Principal has or alleges to have with respect to its obligations arising under or in relation to the OATT, Principal's Interconnection Request, any OATT Agreement, including without limitation Principal's obligations relating to Commercial Readiness Deposits or any Withdrawal Penalty;
 13. any action or inaction of Obligee in any bankruptcy or other proceeding with respect to any entity, including Principal;
 14. the avoidance of any lien in favor of Obligee for any reason;
 15. any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against any entity, including any discharge of, or bar or stay against collecting, all or any part of Principal's obligations arising under or in relation to the OATT, Principal's Interconnection Request, any OATT



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Agreement (or any interest on all or any part of the such obligations) in or as a result of any such proceeding;

16. Principal's breach of any obligation owed to Surety, whether by contract or otherwise, including, without limitation, Principal's failure to pay any premiums due Surety;
17. any action taken by Obligee that is authorized in this Bond or by any provision of the ISO Tariff, the OATT, or any OATT Agreement, or any omission to take any such action;
18. any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, including by reason of existing law and any future judicial decisions or legislation or of any provisions of the laws of any other jurisdiction;
19. any right of Surety or Principal to require Obligee to first proceed against Principal, any other guarantor or surety, or any other collateral Obligee may hold;
20. any and all other demands and notices to Surety or Principal, and any and all other formalities of any kind, the omission of or delay in performance of which might but for the provisions of this section constitute legal or equitable grounds for relieving or discharging Surety in whole or in part from its irrevocable, absolute and continuing obligations under this Bond.

7. Bond Amount/Limit of Surety's Obligations. Subject to Sections 9, 12, and 14 of this Bond, the total amount of Surety's obligations under this Bond for payment(s) to Obligee in accordance with Section 1 hereof, shall not exceed the Bond Amount, plus the amount of attorney's fees, costs, expenses incurred by Obligee in enforcing its rights and Surety's obligations under this Bond.

8. Term of Bond. This Bond is dated and effective as of the date this Bond is executed hereunder by both Principal and Surety (the "Bond Effective Date"). The term of this Surety Bond shall begin on the Bond Effective Date, and shall continue in full force and effect until all amounts determined by Obligee to be due and owing by Principal to Obligee as a Withdrawal Penalty Obligation are paid in full to Obligee, including any amounts owed as a result of true-ups or other corrections to previous settlements; provided, however, that Surety may terminate this Bond as provided in Section 12, below.

9. Restoration of Bond Obligations.

(a) Notwithstanding any provision of this Bond to the contrary, including without limitation Section 12 hereof regarding termination of this Bond by Surety, if at any time after the termination of this Bond by its terms, or payments by Surety to Obligee total, in the aggregate, the Bond Amount, (i) any payment made Principal or Surety to Obligee during the term of this Bond in respect of any Withdrawal Penalty Obligation of Principal or (ii) any payment made by Surety to Obligee pursuant to a Payment Demand Notice under this Bond, is, in whole or part, subsequently rescinded, invalidated, declared to be fraudulent or preferential, set aside or is otherwise required for any other reason whatsoever, including without



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limitation as a result of the insolvency, bankruptcy, reorganization, receivership, dissolution or liquidation of Principal or Surety, or court proceedings therefor or any other debtor-relief proceeding, to be returned, repaid, or paid over by Obligee to a trustee, receiver or any other entity, whether under any bankruptcy act or otherwise (any such payment is hereinafter referred to as a “Preferential Payment”), then this Bond and the obligations of Surety hereunder shall continue to be effective or shall be automatically revived, restored and reinstated, as the case may be, and, to the extent of such Preferential Payment the amount due to Obligee or part thereof intended to be satisfied through such Preferential Payment, and Surety’s liability to Obligee for such amount, shall be revived and continued in full force and effect as if said Preferential Payment had not been made, whether or not this Bond is otherwise then still in effect

(b) Surety further agrees that it will, upon demand by Obligee, indemnify Obligee for all reasonable costs and expenses (including, without limitation, attorney’s fees) incurred by Obligee in connection with any such Preferential Payment or the restoration and reinstatement of this Bond and Surety’s obligations hereunder, including, without limitation, any and all costs and expenses incurred by Obligee in defending against any claim alleging that such Preferential Payment constituted a preference, fraudulent transfer or similar payment under applicable Debtor Relief Laws.

10. Subrogation. Surety hereby agrees that until the payment and satisfaction in full of any Commercial Readiness Deposit obligation or Withdrawal Penalty Obligation of Principal arising from or relating to Principal’s Interconnection Request, Surety shall not exercise any right or remedy it has against Principal arising by reason of any performance by Surety of its obligations under this Bond, whether by subrogation or otherwise.

11. Surety’s Rating and Underwriting Limitation. Surety covenants that, during the entirety of the term of this Bond (i) Surety shall be listed on the United States Department of Treasury’s most recent and effective listing of approved sureties (Circular 570 or its successor), (ii) Surety shall be an admitted surety insurer authorized to transact the business of surety in the Commonwealth of Massachusetts, (iii) Surety shall not issue a Bond Amount which exceeds the Surety’s underwriting limitation, as set forth by the U.S. Treasury in the most recent Circular 570 or its successor, and (iv) Surety shall maintain a minimum long-term credit / financial strength rating of (i) “A-” or better by Standard and Poor’s or Fitch Ratings or “A3” or better by Moody’s, or (ii) a minimum financial strength rating of “A-” by A.M. Best. ISO NE will consider the lowest applicable rating to be the rating of the Surety. In the event that Surety does not maintain the required terms and/or minimum credit rating during the term of this Bond, Obligee shall have the right to demand, and Surety shall be obligated to pay to Obligee, up to the entire Bond Amount within one (1) business day after Surety’s receipt of such Payment Demand Notice in form substantially similar to that set forth Attachment C to this Bond. No other documents and/or information whatsoever are required to effectuate Surety’s obligation to make payment pursuant to this Section of this Bond other than Surety’s receipt of a Payment Obligee’s right to demand and receive payment under this Section of this Bond, and Surety’s payment



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obligations under this Section of this Bond, are in addition to Obligees' other respective rights and obligations under this Bond.

[NOTE: Consistent with the ISO NE market and credit risk policy, the ISO will not accept bonds for company that exceeds, in the aggregate, \$100 million for any single company, or \$150 Million for a group of companies that are Affiliates.]

12. Termination.

(a) Not earlier than one (1) calendar year after the Bond Effective Date, Surety may terminate or cancel this Bond by giving notice to Obligees, not less than sixty (60) days prior to the effective date of termination or cancellation stated in such notice; provided, however, that: (i) such termination or cancellation by Surety shall not affect any liability of Surety incurred or accrued under this Bond prior to the effective date of such termination or cancellation, and any such liability shall survive such termination or cancellation and remain in full force and effect; and (ii) Surety agrees that if Obligees has not received from Principal a Commercial Readiness Deposit to replace this Bond, in a form and amount acceptable to Obligees, no later than thirty (30) days prior to the date stated in such notice for termination or cancellation to be effective, then Obligees may recover the full Bond Amount from Surety less any previous amounts paid to by Surety to Obligees under this Bond; and (iii) in the event that Principal fails to provide a Commercial Readiness Deposit to replace this Bond, in a form and amount acceptable to Obligees, no later than thirty (30) days prior to the date stated in such notice for termination or cancellation of this Bond be effective, then Surety shall, upon receipt of a Payment Demand Notice from Obligees in the form substantially similar to that set forth in Attachment B to this Bond, without any notice other than such Payment Demand Notice, and without any further action by Obligees, deliver a cash deposit ("Cash Deposit") to Obligees not later than seven (7) Business Days after Surety's receipt of such Payment Demand Notice, which Cash Deposit shall be in the amount of the full remaining value of this Bond specified in such Payment Demand Notice. No documents and/or information whatsoever are required to effectuate Surety's obligation to make payment pursuant to this Section of this Bond, other than Surety's receipt of a Payment Demand Notice in the form substantially similar to that set forth in Attachment B to this Bond. Obligees' right to demand and receive payment under this Section of this Bond, and Surety's payment obligations under this Section of this Bond, are in addition to Obligees' other respective rights and obligations under this Bond.

(b) A Cash Deposit made by Surety in accordance with this Section 12 may be applied and used by Obligees, in accordance with the OATT, as if such Cash Deposit was a Commercial Readiness Deposit made directly by the Principal in cash. Any such Cash Deposit provided to Obligees by Surety, or portion thereof, which is not applied by Obligees and exhausted to satisfy a Withdrawal Payment Obligation of Principal, shall be returned to Surety at such time as: (i) Principal provides a Commercial Readiness Deposit to replace such Cash Deposit, or portion thereof, in a form and amount acceptable to Obligees, or (ii) all amounts due and payable by



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Principal to Obligor for a Withdrawal Penalty Obligation are paid in full, including amounts owed as a result of true-ups or other corrections to previous settlements; or (iii) Obligor notifies Surety, in writing, of a determination by Obligor that Principal's obligations or liability relating to any Withdrawal Penalty which has been assessed or which may in the future be assessed against Principal in accordance with the terms of the OATT, have been otherwise fully satisfied.

(c) Notwithstanding any provision of this Bond to the contrary, no termination or cancellation of this Bond by Surety shall be effective or shall end Surety's obligations and liability under this Bond unless and until Principal provides to Obligor a Commercial Readiness Deposit to replace this Bond, in a form and amount acceptable to Obligor in its sole discretion. If Principal fails, for any reason, to provide a replacement Commercial Readiness Deposit to Obligor prior to the date a termination or cancellation of this Bond by Surety would take effect, a notice of termination or cancellation from Surety will automatically and without any further notice or action by Obligor, be deemed rescinded and otherwise void and of no effect, and this Bond and Surety's obligations hereunder shall continue in full force and effect.

13. Bond Costs Paid By Principal. Surety agrees that Principal shall pay all premiums, commissions, charges and expenses for this Bond, and that no failure by Principal to pay any such premiums, commissions, charges and expenses shall be grounds for termination of this Bond or any refusal or defense by Surety to performance of its obligations under this Bond.

14. Attorney's Fees, Costs and Expenses. In addition to all other amounts payable by Surety to Obligor under this Bond, Surety shall indemnify Obligor for any and all losses, costs and expenses incurred by Obligor, in good faith, arising from or otherwise in connection with Obligor's enforcement of Obligor's rights or Surety's obligations under this Bond, including without limitation, attorney's fees and litigation expenses incurred at trial, on appeal, and/or in any arbitration or bankruptcy proceeding. Surety's obligation to indemnify Obligor for such losses, costs and expenses shall be in addition to Surety's obligation to pay other amounts pursuant to this Bond, and Surety's obligation under this Section 14 of this Bond shall not be construed or interpreted to be limited by or subject to the Bond Amount.

15. Non-Waiver. Surety agrees that no failure by Obligor to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy under this Bond shall operate as a waiver thereof, nor shall any single or partial exercise by Obligor of any right, power or remedy under this Bond preclude any other or further exercise thereof or the exercise of any other rights, power or remedy. Obligor's rights and remedies under this Bond are cumulative to, and are not exclusive of, any remedies Obligor otherwise has or may have under applicable law or equity. Surety agrees that, without limiting the generality of the foregoing, Obligor may, but shall have no obligation to, make demands that Surety make payment under this Bond at any time coincident with or after the time for payment by Principal of all or part of a Withdrawal Penalty assessed by Obligor against Principal or other payment for which Surety is obligated under this Bond, and such demand(s) may be made by Obligor from time to time with



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respect to the same or different obligations of Principal and/or Surety. Such demand(s) may be made, given and received in accordance with the notice provisions set forth in Section 16 of this Bond; provided, however, the failure to make, give or receive a Payment Demand Notice (or any failure of any such Payment Demand Notice to be made in strict accordance with notice provisions under this Bond) shall not relieve, limit or discharge Surety in any respect of its obligations under this Bond.

16. Notices and Demands. All notices (including, without limitation, Payment Demand Notices), requests, or other communications (collectively “Notices”) under or relating to this Bond shall be in writing and shall be delivered by facsimile or other means of electronic transmission, or overnight courier service, and shall be deemed delivered to the recipient of such Notice when received, as follows: (i) Notice by facsimile or other means of electronic transmission shall be deemed delivered on the date and at the time actually received, if received during business hours on a Business Day, and otherwise shall be deemed delivered and received at 8:00 a.m. on the next Business Day; and (ii) Notice by overnight courier service shall be deemed delivered and received on the next Business Day after such Notice is sent. Actual receipt of a Notice, including any Payment Demand Notice, however accomplished, shall be deemed to have been sufficiently delivered in compliance with the requirements of this Section as of the date received by the recipient of such Notice.

Obligee, Principal, or Surety may change its designated representatives, addresses and other contact information by providing Notice of such change(s) in accordance with this Section 16.

The Notice information is as follows:

If to Obligee:

ISO NEW ENGLAND INC.

ATTENTION: CREDIT DEPARTMENT

1 SULLIVAN RD. HOLYOKE, MA 01040

FAX: 413-540-4569

EMAIL: CREDITDEPARTMENT@ISO-NE.COM

If to the Surety:

[NAME]



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[ADDRESS]

[FAX]

[PHONE]

If to the Principal:

[NAME]

[ADDRESS]

[FAX]

[PHONE]

17. Definitions.

As used in this Bond, the terms listed in this Section 17 shall be defined as set forth below:

(1) “Commercial Readiness Deposit” means shall have the same meaning provided in the definition of Commercial Readiness Deposit contained in the OATT.

(2) “ETUIA” as used in this Bond means the Elective Transmission Upgrade Interconnection Agreement contained in OATT Schedule 25.

(3) “ETUIP” as used in this Bond means the Elective Transmission Upgrade Interconnection Procedures contained in the Tariff, including without limitation the OATT and OATT Schedule 25.

(4) “ISO Tariff” as used in this Bond means the ISO New England Inc. Transmission, Markets, and Services Tariff, as filed with the Federal Energy Regulatory Commission, as amended, supplemented and/or restated from time to time.

(5) “LGIA” as used in this Bond means the Large Generator Interconnection Agreement contained in OATT Schedule 22.

(6) “LGIP” as used in this Bond means the Large Generator Interconnection Procedures contained in the Tariff, including without limitation the OATT and OATT Schedule 22.

(7) “OATT” as used in this Bond means the Open Access Transmission Tariff contained in Section II of the ISO Tariff.



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(8) “OATT Agreements” shall mean and include each agreement included as an appendix in the ISO Tariff in OATT Schedule 22, 23 or 25 to which Obligee and Principal are parties or will be parties, and which relates to Principal’s Interconnection Request.

(9) “SGIA” as used in this Bond means the Small Generator Interconnection Agreement contained in OATT Schedule 23.

(10) “SGIP” as used in this Bond means the Small Generator Interconnection Procedures contained in the Tariff, including without limitation the OATT and OATT Schedule 23.

(11) “Withdrawal Penalty” as used in this Bond means a Withdrawal Penalty or Transition Withdrawal Penalty, as defined in the OATT, which is assessed by the Obligee, as System Operator, against Principal, as Interconnection Customer, pursuant to and in accordance with the terms of the OATT.

(12) All other capitalized terms in this Bond which are not defined in this Section 18 or otherwise defined in the Bond, have the definitions and meanings ascribed for such terms in the OATT and/or Section I.2.2 of the ISO Tariff

18. Representations and Warranties. Surety represents and warrants to Obligee, to induce Obligee to accept this Bond as a Commercial Readiness Deposit by Principal, that: (i) Surety has the legal power to execute and deliver this Bond and to perform Surety’s obligations hereunder in accordance with its terms, for the benefit of Obligee; (ii) Surety has undertaken all actions necessary to authorize the execution and delivery of this Bond, and performance in accordance with its terms; (iii) this Bond is a legal, valid, and binding obligation of Surety; (iv) as of the Bond Effective Date, Surety is aware of no threatened or pending action or proceeding before any court, arbitrator, or governmental agency which may materially and adversely affect Surety’s ability to perform its obligations under this Bond; and (v) as of the Bond Effective Date, there is no fact that Surety has not disclosed in writing to Obligee of which Surety is aware as of the Bond Effective Date or which Surety can reasonably foresee, which would materially and adversely affect the ability of Surety to perform its obligations under this Bond.

19. No Reliance on Obligee. NEITHER OBLIGEE NOR ANY AFFILIATE, EMPLOYEE, AGENT, OR REPRESENTATIVE OF OBLIGEE HAS MADE ANY REPRESENTATION, WARRANTY OR STATEMENT TO SURETY IN ORDER TO INDUCE SURETY TO EXECUTE THIS BOND, AND SURETY HEREBY EXPRESSLY WAIVES ANY CLAIM OF MISREPRESENTATION OR FRAUDULENT INDUCEMENT TO EXECUTE THIS BOND AND FURTHER DISCLAIMS ANY RELIANCE ON STATEMENTS OR REPRESENTATIONS OF OBLIGEE OR ANY AFFILIATE, EMPLOYEE, AGENT, OR REPRESENTATIVE OF OBLIGEE IN WAIVING SUCH A CLAIM.



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20. Assignment. Neither this Bond nor any right or interest under this Bond may be assigned by Principal or Surety without the prior written consent of Obligee. Any direct or indirect change of control of Principal or Surety (whether voluntary or by operation of law) shall be deemed an assignment in violation of this Bond, and will require the prior written consent of Obligee.

21. Interpretation.

(a) This Bond is to be liberally construed so as to: protect and enforce Obligee's unconditional rights under this Bond to promptly receive payment from Surety upon first demand by Obligee and be indemnified by Surety, and; to give effect to and provide for the immediate performance and enforcement of Surety's PRIMARY, UNCONDITIONAL, and INDEPENDENT obligations under this Bond to make payment to Obligee promptly upon first demand by Obligee, and to indemnify Obligee.

(b) Surety and Principal expressly agree and acknowledge that the terms of this Bond shall be interpreted and construed as if the product of negotiation and mutual preparation by Surety, Principal, and Obligee, and as if each Party had the opportunity to negotiate the terms and conditions of this Bond with the assistance of counsel prior to execution. Surety and Principal expressly agree and acknowledge that the terms of this Bond shall not be construed against Obligee as the drafter of this Bond or through application of the rule of contra proferentem or similar rule.

22. Amendment or Modification. This Bond may not be altered, amended, modified, or supplemented except by a written instrument signed by Obligee, Principal and Surety.

23. Severability. If any provision or any provision of this Bond or the application thereof to any person or circumstance shall, for any reason and to any extent, be determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, then neither the remaining provisions of this Bond nor the application of such provision to any other person or circumstance shall be affected thereby, and the remaining provisions of this Bond, or the applicability of such provision to other persons or circumstances, as the case may be, shall remain in effect and be enforceable to the maximum extent permitted by applicable law.

24. Governing Law; Jurisdiction; Venue.

(a) Notwithstanding any provisions of the ISO Tariff, OATT, and/or of OATT Agreement entered into by Principal in connection with Principal's Interconnection, this Bond shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without regard to any conflict of laws principles.

(b) Surety and Principal, for themselves and their respective successors and assigns, hereby irrevocably (i) submit to the exclusive jurisdiction of the state courts of the Commonwealth of



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Massachusetts located in Suffolk County, Massachusetts and the federal courts located in Boston, Massachusetts, (ii) waive, to the fullest extent permitted by law, any objection that they may now or in the future have as to the venue of any action, proceeding or litigation arising out of or in connection with this Bond brought and maintained in Massachusetts Superior Court for Suffolk County, Massachusetts, including the Business Litigation Session of the Superior Court for Suffolk County, or in the United States District Court for District of Massachusetts located in Boston, Massachusetts, and (iii) agree that any legal action or proceeding against Surety arising out of or in connection with this Bond may be brought in any one of the foregoing courts. Surety hereby agrees that service of process upon Surety may be made by certified or registered mail, return receipt requested, at its address specified in this Bond. Nothing in this Section shall affect the right of Obligees to serve process in any other manner permitted by law or shall limit the right of Obligees to bring any action or proceeding against Surety or with respect to any of Surety's property in courts located in other jurisdictions. Any action or proceeding by Surety against Obligees shall be brought only in a court located in Suffolk County, Massachusetts. The scope of each of the foregoing waivers by Surety and Principal are intended to be all encompassing of any and all disputes that may be filed in any court and which relate to the Bond, including, without limitation, contract claims, tort claims, breach of duty claims, claims for declaratory relief or injunctive relief, and all other common law and statutory claims. Surety acknowledges that the foregoing waivers by Surety and Principal constitute a material inducement to Obligees' agreement and willingness to accept this Bond, and that Obligees has already relied on such waivers and will continue to rely on each of such waivers in related future dealings and transactions with Principal and Surety. The foregoing waivers by Surety and Principal in this Section of this Bond are irrevocable on the part of both Surety and Principal, shall be deemed to apply to any future renewals, extensions, amendments, modifications, replacements or renewals of this Bond, and may not be modified without the agreement of both Surety and Obligees in writing.

25. Injunctive Relief. Surety and Principal acknowledge and agree that the failure of Surety to make payment to Obligees, upon receipt of a Payment Demand Notice, of the amount demanded in any such Payment Demand Notice within the time required under this Bond for Surety to make such payment, shall cause immediate and irreparable injury to Obligees for which Obligees has no adequate remedy at law against Surety. Surety agrees that Obligees shall be entitled to injunctive relief for specific performance of Surety's obligations under this Bond to make payment to Obligees, upon receipt of a Payment Demand Notice, in the amount demanded by Obligees in such notice, and Surety hereby waives any claims or defenses to the contrary.

26. WAIVER OF JURY TRIAL.

TO THE FULLEST EXTENT PERMITTED BY LAW, PRINCIPAL AND SURETY WAIVE HEREBY EACH KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, DEFENSE, COUNTERCLAIM, CROSSCLAIM AND/OR ANY FORM OF PROCEEDING ARISING FROM OR BROUGHT



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IN CONNECTION WITH THIS BOND OR RELATING TO ANY OF THE SURETY'S OBLIGATIONS HEREUNDER.

In witness whereof, said Principal and said Surety have caused this Bond to be duly signed and their seals affixed this ____ day of _____, 20__.

PRINCIPAL: [NAME]

(Seal)

Signature

(Witness)

(Title)

SURETY: [NAME]

(Surety) *(Seal)*

Signature

(Witness)

(Title)

ATTACHMENT A TO SURETY BOND NO. []

FORM OF PAYMENT DEMAND NOTICE

From: ISO NEW ENGLAND INC.

CREDIT DEPARTMENT

1 SULLIVAN RD. HOLYOKE, MA 01040

To: [SURETY NAME/ADDRESS]

Date: []

Re: Payment Demand Notice under Surety Bond, No. [], dated and effective as of [Effective Date of Bond] ("Bond"), entered into by [Surety's legal name] ("Surety") and [Interconnection Customer's legal name] ("Principal"), and issued by Surety on behalf of Principal in Favor of ISO New England Inc. ("Obligee")

To the above-named Surety:

This letter constitutes a Payment Demand Notice by Obligee to Surety in accordance with the above-referenced Bond. All capitalized terms used and not otherwise defined in this Payment Demand Notice have the meanings assigned to them in the Bond.

The undersigned hereby certifies to Surety, with reference to Surety's Bond No. [] dated [] issued by Surety on behalf of [NAME OF INTERCONNECTION CUSTOMER], Principal under the Bond, and in favor of Obligee, that Principal is subject to a Withdrawal Penalty that has been assessed by Obligee against Principal in connection with Principal's Interconnection Request associated with the Bond and in accordance with the terms and provisions of ISO New England Inc.'s Transmission, Markets, and Services Tariff including the Obligee's Open Access Transmission Tariff, for which payment has not been made by Principal.

The amount of such Withdrawal Penalty, as determined and calculated by the Obligee in accordance with the OATT, is \$ _____, which amount is now due and owing from Principal to Obligee pursuant to the terms of the OATT. Obligee hereby demands that Surety make payment to the Obligee in the amount of \$ _____ in accordance with the Bond, and the following instructions, no later than seven (7) Business Days after Surety's receipt of this Payment Demand Notice.



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[PAYMENT INSTRUCTIONS]

ISO New England Inc.

By: _____

Name: [Authorized representative's name]

Title: [Authorized representative's title]

ATTACHMENT B TO SURETY BOND NO. []

FORM OF PAYMENT DEMAND NOTICE

From: ISO NEW ENGLAND INC.

CREDIT DEPARTMENT

1 SULLIVAN RD. HOLYOKE, MA 01040

To: [SURETY NAME/ADDRESS]

Date: []

Re: Payment Demand Notice under Surety Bond, No. [], dated and effective as of [Effective Date of Bond] ("Bond"), entered into by [Surety's legal name] ("Surety") and [Interconnection Customer's legal name] ("Principal"), and issued by Surety on behalf of Principal in Favor of ISO New England Inc. ("Obligee")

To the above-named Surety:

This letter constitutes a Payment Demand Notice by Obligee to Surety in accordance with the above-referenced Bond. All capitalized terms used and not otherwise defined in this Payment Demand Notice have the meanings assigned to them in the Bond.

The undersigned hereby certifies to Surety, with reference to Surety's Bond No. [] dated [] issued by Surety on behalf of [NAME OF INTERCONNECTION CUSTOMER], Principal under the Bond, and in favor of Obligee, that as of the close of business on [DATE (enter date less than thirty (30) days prior to the expiration of the Bond)], Principal has failed to replace the Bond with a Commercial Readiness Deposit in a form and amount acceptable to Obligee.

As of the date hereof, the remaining value of this Bond is \$[]. Obligee hereby demands that Surety make payment to the Obligee in that amount in accordance with the Bond, and the following instructions, no later than seven (7) Business Day after Surety's receipt of this Payment Demand Notice.



ISO New England - ISO New England Inc. Transmission, Markets and Services Tariff

[PAYMENT INSTRUCTIONS]

ISO New England Inc.

By: _____

Name: [Authorized representative's name]

Title: [Authorized representative's title]



ISO New England - ISO New England Inc. Transmission, Markets and Services Tariff

ATTACHMENT C TO SURETY BOND NO. []

FORM OF PAYMENT DEMAND NOTICE

From: ISO NEW ENGLAND INC.

CREDIT DEPARTMENT

1 SULLIVAN RD. HOLYOKE, MA 01040

To: [SURETY NAME/ADDRESS]

Date: []

Re: Payment Demand Notice under Surety Bond, No. [], dated and effective as of [Effective Date of Bond] (“Bond”), entered into by [Surety’s legal name] (“Surety”) and [Interconnection Customer’s legal name] (“Principal”), and issued by Surety on behalf of Principal in Favor of ISO New England Inc. (“Obligee”)

To the above-named Surety:

This letter constitutes a Payment Demand Notice by Obligee to Surety in accordance with the above-referenced Bond. All capitalized terms used and not otherwise defined in this Payment Demand Notice have the meanings assigned to them in the Bond.

The Surety has not maintained a minimum long-term credit / financial strength rating required by the terms of the Bond, and the Principal has failed to replace the Bond with a Commercial Readiness Deposit in a form and amount acceptable to the Obligee in accordance with the ISO New England Open Access Transmission Tariff (“OATT”).

As of the date hereof, the remaining value of this Bond is \$[]. Obligee hereby demands that Surety make payment to the Obligee in that amount in accordance with the Bond, and the following instructions, no later than one (1) Business Day after Surety’s receipt of this Payment Demand Notice.



ISO New England - ISO New England Inc. Transmission, Markets and Services Tariff

[PAYMENT INSTRUCTIONS]

ISO New England Inc.

By: _____

Name: [Authorized representative's name]

Title: [Authorized representative's title]