

Form of One-Time Instruction for the Qualification Process Cost Reimbursement Deposits

(Date)

Billing Department
ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040

RE: Instruction to pay the portion of the Invoice per Section 3.1(c) of the ISO New England Billing Policy (the “Billing Policy”) related to the Qualification Process Cost Reimbursement Deposit (“QPCRD”)

Please accept this letter as an instruction (this “Instruction”) for _____
(ISO issued Customer ID)
_____ (the “Customer”) to pay the portion of the
(Complete Company Name)

Customer’s Invoice related to QPCRD to be issued by ISO New England Inc. (the “ISO”) on
_____ (the “Invoice”), to the extent of available cash, from the cash deposit
(Invoice issued date)

amount on hand with the ISO, as that amount may be replenished from time to time (the “Deposit”). In connection with this Instruction, the Customer acknowledges and agrees to the following:

- (a) This Instruction must be received by at least 5:00 p.m. (Eastern Time) on the day that is two Business Days prior to the Invoice Date.
- (b) The ISO may draw on the Deposit at any time to pay the portion of the Invoice related to the QPCRD. If there are insufficient funds in the Deposit, the ISO will draw down the full amount of the Deposit and may notify the Customer that there are insufficient funds available in the Deposit to pay the portion of the Invoice related to the QPCRD, but shall not be obligated to notify the Customer.
- (c) The Deposit will be held in the Customer’s account established with BlackRock Institutional Management Corporation (“BlackRock”) pursuant to the Control Agreement among the Customer, the ISO and BlackRock (the “Control Agreement”) or, if the Customer does not have such an account with BlackRock, in the ISO’s account with BlackRock. If the Deposit is held in the Customer’s account with BlackRock, the Deposit will be invested in the investment option selected by the Customer pursuant to the Control Agreement. If the Customer has not selected such an investment option or if the Deposit is held in the ISO’s account with BlackRock, the Deposit will be invested in the “Default Investment” option identified from time to time by the ISO and approved by the New England

Power Pool (“NEPOOL”) Budget and Finance Subcommittee, pursuant to the ISO New England Financial Assurance Policy for [Market Participants] (the “Financial Assurance Policy”). All income generated by the Deposit will be added to the amount of the Deposit and will be reinvested in the applicable investment described above. All losses to the Deposit as a result of it being so invested or any liquidation of such Default Investment in connection with a draw on the Deposit will be deducted from the Deposit.

- (d) If the Deposit is held in the ISO’s account with BlackRock, the Deposit shall at all times remain the property of the ISO, provided that the ISO shall only use the Deposit as set forth herein.
- (e) The Customer shall be responsible for all fees, costs and expenses due to or incurred by the ISO in connection with the maintenance of the Deposit and the other transactions contemplated by this Instruction, including if applicable and without limitation a *pro rata* share of BlackRock’s regular fees for establishing and maintaining the account in which the Deposit is held. The Customer shall pay, or reimburse the ISO for, such fees, costs and expenses promptly upon receiving a request therefor which may be included either on the Customer’s settlement invoice or on a separate non-settlement invoice issued to the Customer.
- (f) The Customer agrees that (a) the ISO, NEPOOL and BlackRock is each released from any and all liabilities arising from the terms of this Instruction and its compliance with the terms hereof, except to the extent that such liabilities arise from its own gross negligence or willful misconduct and (b) the Customer shall at all times indemnify and save harmless the ISO, NEPOOL and BlackRock and their officers, directors, members, trustees, employees, agents and representatives (each, an “Indemnified Party”) from and against any and all claims, actions and suits of others arising out of the terms of this Instruction or the compliance with the terms hereof, except to the extent that such arises from such Indemnified Party’s gross negligence or willful misconduct, and from and against any and all liabilities, losses, damages, costs, charges, counsel fees and other expenses of every nature and character arising by reason of the same.
- (g) The Deposit shall not constitute an acceptable form of financial assurance under the Financial Assurance Policy unless the Customer takes all steps required under the Financial Assurance Policy with respect thereto, including without limitation executing and delivering a Security Agreement (as defined in the Financial Assurance Policy) and a related Control Agreement.

This Instruction will remain in effect until such time as the ISO receives written notice from the Customer revoking this Instruction; provided that any revocation notice must be received by the ISO at least five business days prior to the effective date of that revocation notice. All amounts held in the Deposit will be returned to the Customer within five (5) business days after the ISO’s receipt of a request that the Deposit be returned. In the event that the Customer revokes this

Instruction but does not at the same time request a return of all amounts held in the Deposit, then during the time between the revocation of this Instruction and the requested return of the amounts in the Deposit, (i) the ISO will continue to hold such amounts in accordance with paragraphs (c), (d), (e), (f) and (g) above, and (ii) the ISO may, but shall not be required to, draw on the Deposit to pay any portion of the invoice related to the QPCRD issued by it to the Customer that is not paid in full within the time provided by the Billing Policy.

Nothing set forth in this Instruction modifies the rights and obligations of the ISO or the Customer under the Billing Policy, the Financial Assurance Policy, all other relevant documents and applicable law.

If this Instruction is acceptable to you, please sign a copy of this Instruction in the space indicated below and return it to the Customer.

Sincerely,

Authorized Signer

Complete Company Name

Address

Phone Number

Email Address

ACCEPTED AND AGREED:
ISO NEW ENGLAND INC.

Approved By: _____

Name:

Title: