

**IRREVOCABLE LETTER OF CREDIT
FOR MINIMUM PARTICIPATION REQUIREMENT**

No. _____

Date: _____

PJM Settlement, Inc. and/or
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403
Attn: Treasury Department

To Whom It May Concern:

We hereby issue our Irrevocable Letter of Credit No. _____ in your favor for the account of *[insert applicant's name and address]* in satisfaction of the Market Participation Eligibility Requirements in the PJM Open Access Transmission Tariff, Attachment Q, for an aggregate amount up to \$ _____ available by your drafts at sight drawn on *[insert name of issuing bank]* and accompanied by the following:

"I am an authorized representative of PJM Settlement, Inc. and/or PJM Interconnection, L.L.C. and I hereby certify that *[insert name of other party]* has failed to remit to PJM Settlement, Inc. or PJM Interconnection, L.L.C. the amount of \$ _____ which *[insert name of other party]* owes PJM Settlement, Inc. pursuant to one or more of the following agreements: the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., the PJM Open Access Transmission Tariff, and/or the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region.

Any beneficiary or combination of beneficiaries, acting individually or collectively, may draw on this Letter of Credit in full or in part, and any action taken by any or all beneficiaries hereunder shall bind each of them.

This Letter of Credit expires at this office on *[insert date of signing plus 12 months]*.

Each draft must be marked "Drawn under *[insert name of issuing bank]* Letter of Credit No. _____."

It is a condition of this Letter of Credit that it will be automatically extended for periods of one year each from the present or any future expiry date, unless we notify you in writing at least ninety (90) days prior to such expiry date that we elect not to further extend this Letter of Credit. Upon receipt of such notice, you may draw on this Letter of Credit by presenting your one or more sight drafts to us for an aggregate amount up to the unused balance of this Letter of Credit within the 60 days prior to the then relevant expiry date, and accompanied by the following: "I am an authorized representative of PJM Settlement, Inc. and/or PJM Interconnection, L.L.C. and am drawing on this letter of credit pursuant to its provision regarding notice of non-renewal".

Except so far as otherwise expressly stated herein, this letter of credit is subject to the *Uniform Customs and Practice for Documentary Credits* (2007 Revision), International Chamber of Commerce Publication No. 600. We hereby agree with you that drafts drawn under and in compliance with the terms of this Letter of Credit, for any obligation owed to PJM Interconnection, L.L.C. or PJM Settlement, Inc., will be duly honored if presented to us on or before the above stated expiration date.

(Authorized Signature)

Name: _____

Title: _____