

APPENDIX H
Form of
Advance Payment Bond

Montgomery Energy Billerica Power Partners LP
403 Corporate Woods Drive
Magnolia, Texas 77354

Dear Sirs,

OUR LETTER OF GUARANTEE REF. NO.

In accordance with the terms of a Equipment Supply Contract, reference _____, ("the Contract") which you have placed with Rolls-Royce Energy Systems Inc. (hereinafter referred to as "the Seller") for the supply of four Trent 60 Dual Fuel WLE Power Generation Packages (Units) you are to pay the Seller an advance payment of US\$ _____ (US dollars _____) representing _____ per cent of the value of the Contract (the "Contract Award Payment Amount"), of which amount _____ (the "Reservation Fee Amount") has previously been paid to the Seller pursuant to that Reservation Agreement dated 6 August 2007 and credited to Seller's account.

In consideration of the receipt by the Seller of US\$ _____ (US dollars _____) being the difference between the Contract Award Payment Amount and the Reservation Fee Amount, and to the credit of his account number 400-707799 at JPMorgan Chase Bank, 1 Chase Plaza, New York, NY 10005, we (Bank) of (Address) hereby irrevocably undertake and guarantee to pay you on first demand, irrespective of the validity and the legal effects of the above mentioned Contract and waiving all rights of objection and defence arising from said Contract, any sum or sums not exceeding a maximum aggregate amount of US\$ _____ (US dollars _____) on receipt of your first written demand or demands each of which complies with the terms set out below.

Any demand hereunder must:-

- A. be made in writing on your headed stationery signed on your behalf by an authorised signatory/signatories; and
- B. be accompanied by your signed statement confirming that the Seller has failed to deliver the Parent Company Guarantee as provided for by the Contract; that the payments referred to above were duly paid by you to the Seller's account; and that the amount claimed has not previously been repaid to you by the Seller; and
- C. be forwarded through your bankers for authentication of the signatures referred to above.

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You may call upon us for the whole or part of the amount of our liability hereunder and you may make any number of calls upon us provided however that:

1. Our maximum aggregate liability under this guarantee is limited to US\$_____ (US dollars _____).
2. This guarantee shall become effective upon receipt by the Seller of the Contract Award Payment Amount referred to above and shall expire for the receipt of demands at this office when our maximum aggregate liability under this guarantee has been reduced to zero or on _____, 2007 whichever shall first occur and thereafter our liability to you under this guarantee will cease and this guarantee will be of no further effect whether or not it is returned to us and without any further action on our part.
3. This guarantee will not be discharged due to any change in the constitution of the Seller or due to any amendment, modification, supplementation or waiver of any provision of the Contract or extension of time for performance thereunder.
4. This guarantee which is personal to you and non assignable shall be governed by and construed in accordance with the Laws of the State of New York and any proceeding shall be brought before the U. S. District Court, Southern District of New York, New York City, New York, USA.

(Bank)

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