(d) The Counter-Party may deposit Cash Collateral with ERCOT with the understanding that ERCOT may draw part or all of the deposited cash to satisfy any overdue payments owed by the Counter-Party to ERCOT. The Cash Collateral shall be invested pursuant to the ERCOT Investment Corporate Standard, and all interest received on Cash Collateral will be payable directly to the Counter-Party; provided, however, any such arrangements may not restrict ERCOT’s immediate access to the cash.

(i) Interest on Cash Collateral will be calculated on a monthly basis based on the average daily balances of the Counter-Party Cash Collateral. Interest is not paid on Cash Collateral balances held by ERCOT where, in accordance with paragraph (4) of Section 16.11.7, Release of Market Participant’s Financial Security Requirement, the Counter-Party’s Standard Form Market Participant Agreement has been terminated and ERCOT has determined that no obligations remain owing or will become due and payable.

(ii) On or before the fifteenth Bank Business Day of each month, ERCOT will credit each Counter-Party’s Cash Collateral account for the amount of interest calculated for Cash Collateral held by ERCOT for the prior month. In addition, ERCOT will provide a report containing details on how the interest amount was calculated for that Month which shall include, at a minimum, the daily principal amount of Cash Collateral held from the Counter-Partyand the imputed yield.

ERCOT Credit recommends adding the following two reports to

16.11.4.7 Credit Monitoring and Management Reports

and insert the following as #2 under the above section:

(2) ERCOT shall post no later than 15 days after the end of each period the following reports on the Market Information System (MIS) Certified Area for each active Counter-Party:

1. Monthly collateral and interest report
2. Annual collateral and interest report

(iii) ERCOT a first priority security interest in all property delivered by the Counter-Party to ERCOT from time to time to meet the creditworthiness requirements, and that property secures all amounts owed by the Counter-Party to ERCOT.