(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 may be invested pursuant to the ERCOT Investment Corporate Standard, and all interest earned 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 daily basis based on the amount of Counter-Party Cash Collateral held as of 1700 CPT each day. 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 tenth Bank Business Day of each month, ERCOT will credit each Counter-Party’s Cash Collateral account for the amount of interest owed 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-Party, and the daily interest rates used to calculate the interest payment for each day during the month.

(iii) Each Counter-Party grants 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.