



Item 4.1: Review 2024 Financial Summary

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Senior Vice President, Chief Financial Officer, and
Chief Risk Officer

Finance and Audit Committee Meeting

ERCOT Public

June 17, 2024

Overview

- **Purpose**

- To provide the Finance and Audit (F&A) Committee an overview of ERCOT's financial performance as of April 30, 2024

- **Voting Items / Requests**

- No action is requested of the F&A Committee or Board; for discussion only

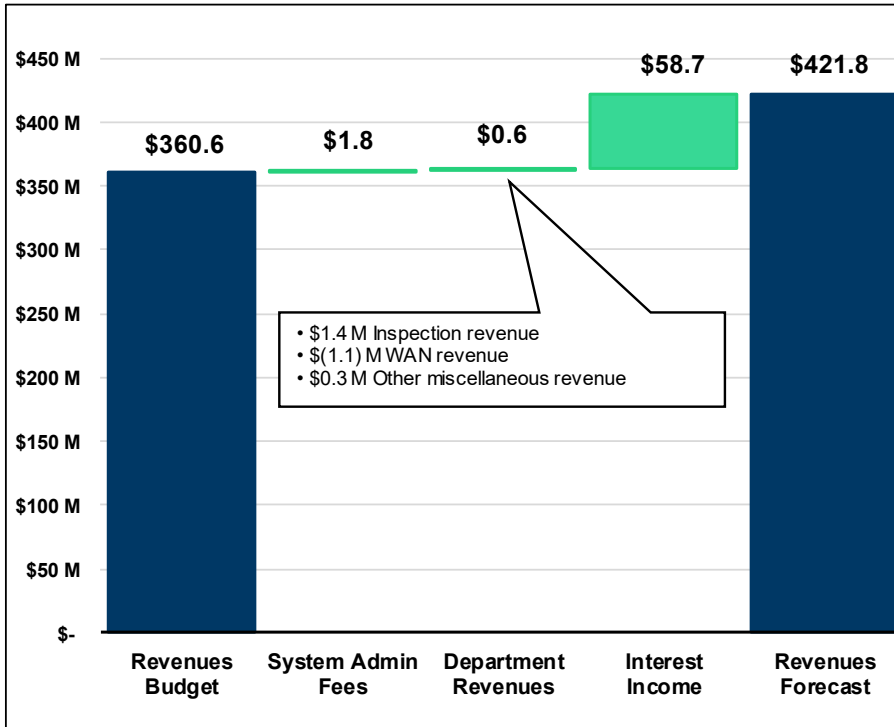
- **Key Takeaways**

- ERCOT's year-to-date April 2024 actual revenues net of expenditures were \$30.7 million favorable to budget, driven by interest income being favorable by \$13.4 million, project expenditures being favorable by \$8.0 million, and by staffing management being favorable by \$6.0 million
- ERCOT's year-end 2024 forecasted revenues net of expenditures are \$76.8 million favorable to budget, driven by interest income forecasted to be favorable by \$58.7 million and by staffing management to be favorable by \$9.4 million
- ERCOT had \$83.7 million of operating funds as of April 30, 2024, compared to \$19.5 million operating use of Congestion Revenue Right (CRR) funds as of April 30, 2023

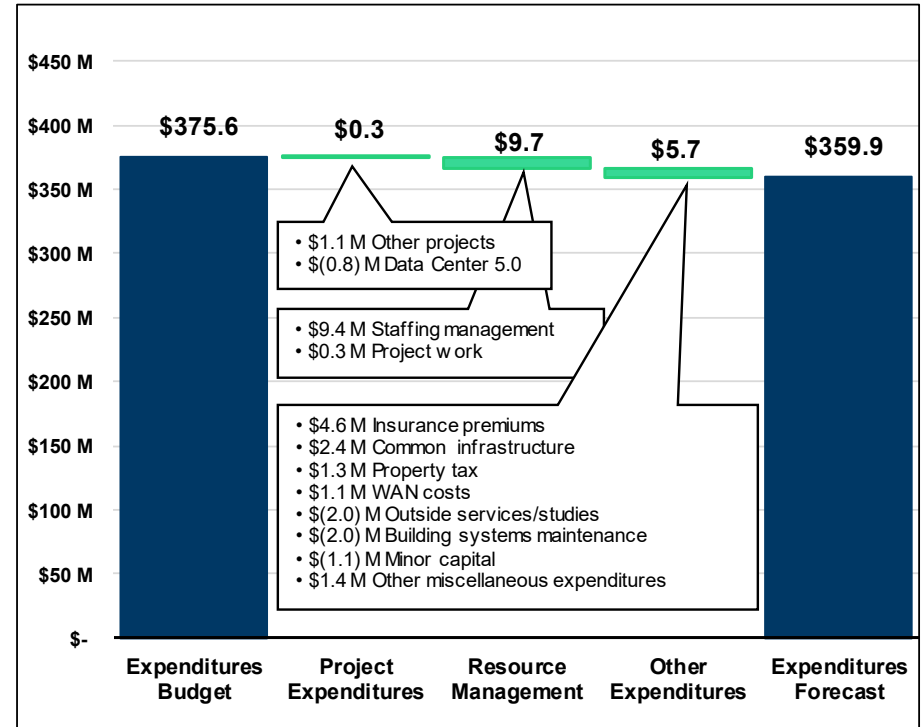
Review 2024 Financial Summary: 2024 Variance to Budget (\$ in Millions)

Net Available Year-End Forecast Variance to Budget = \$76.8 M

Revenues Year-End Forecast
Variance to Budget = \$61.1 M [16.9%]



Expenditures Year-End Forecast
Variance to Budget = \$15.7 M [4.2%]



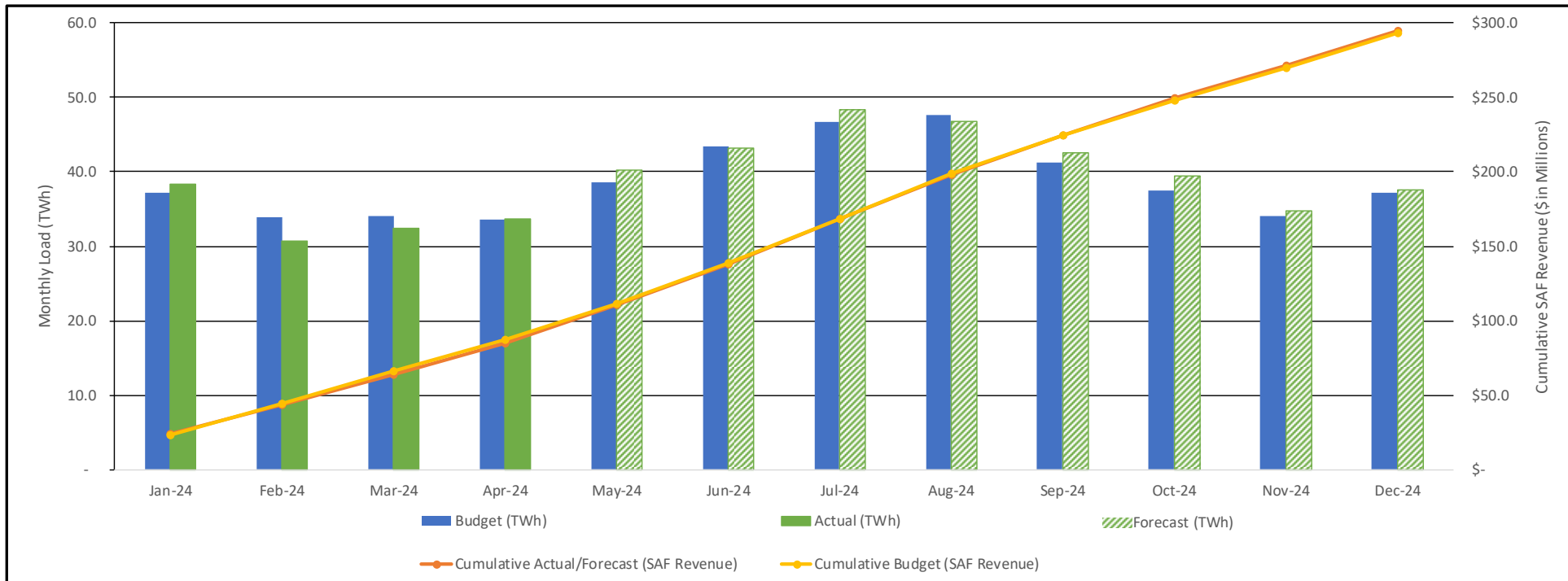
Charts may not foot due to rounding

Key Takeaway: The forecasted year-end 2024 results are a net available amount of \$61.9 M versus a budgeted amount of \$(14.9) M, a \$76.8 M favorable variance

Review 2024 Financial Summary:

2024 Budget versus Actual:

Monthly TWh Load and Cumulative System Administration Fee (SAF) Revenue



Load (TWh):	FY 2023	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	FY 2024
Budget	434.0	37.1	33.9	34.0	33.6	38.5	43.5	46.7	47.6	41.3	37.5	34.1	37.2	465.0
Actual/Forecast	445.9	38.3	30.8	32.4	33.6	40.2	43.2	48.4	46.8	42.5	39.4	34.7	37.5	467.9
Variance	11.9	1.2	(3.1)	(1.6)	0.1	1.6	(0.2)	1.6	(0.9)	1.3	1.9	0.6	0.4	2.9
Variance (%)	2.7%	3.2%	-9.2%	-4.6%	0.2%	4.3%	-0.5%	3.5%	-1.8%	3.1%	5.1%	1.7%	1.0%	0.6%

SAF Revenue (\$ in Millions):	FY 2023	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	FY 2024
Cumulative Budget	\$ 240.9	\$ 23.4	\$ 44.7	\$ 66.2	\$ 87.3	\$ 111.6	\$ 139.0	\$ 168.4	\$ 198.4	\$ 224.4	\$ 248.0	\$ 269.5	\$ 292.9	\$ 292.9
Cumulative Actual/Forecast	\$ 247.5	\$ 24.1	\$ 43.5	\$ 64.0	\$ 85.2	\$ 110.5	\$ 137.7	\$ 168.2	\$ 197.6	\$ 224.4	\$ 249.3	\$ 271.1	\$ 294.8	\$ 294.8
Cumulative Variance	\$ 6.6	\$ 0.7	\$ (1.2)	\$ (2.2)	\$ (2.2)	\$ (1.1)	\$ (1.3)	\$ (0.2)	\$ (0.8)	\$ 0.0	\$ 1.2	\$ 1.6	\$ 1.8	\$ 1.8
Cumulative Variance (%)	2.7%	3.2%	-2.7%	-3.3%	-2.5%	-1.0%	-0.9%	-0.1%	-0.4%	0.0%	0.5%	0.6%	0.6%	0.6%



Review 2024 Financial Summary: ERCOT Statements of Financial Position

As of April 30
Dollars in Millions

	ERCOT		Texas Electric Market Stabilization Funding M (TEMSFM)		Texas Electric Market Stabilization Funding N (TEMSFN)	
	2024	2023	2024	2023	2024	2023
Assets						
Unrestricted cash	\$ 603.1	\$ 1,624.0	\$ 4.1	\$ 4.0	\$ -	\$ -
Bond Investments	1,701.4	514.8	-	-	-	-
Total unrestricted cash and bond investments	2,304.5	2,138.8	4.1	4.0	-	-
Restricted cash and interest receivable	1,495.1	1,126.1	27.0	27.9	52.2	51.8
Other current assets	53.5	58.5	9.5	9.5	45.0	42.6
Long-term investment in subsidiary	14.6	14.6	-	-	-	-
Other long-term assets	183.0	181.1	379.5	389.1	1,991.8	2,035.3
Total assets	\$ 4,050.7	\$ 3,519.1	\$ 420.1	\$ 430.5	\$ 2,089.0	\$ 2,129.7
Liabilities and Net Assets						
CRR auction liabilities-current	\$ 1,251.5	\$ 1,090.2	\$ -	\$ -	\$ -	\$ -
CRR auction liabilities-long term	916.7	1,021.5	-	-	-	-
Other market liabilities	52.6	46.7	-	-	-	-
Total market settlement liabilities	2,220.8	2,158.4	-	-	-	-
Security deposits and interest payable	1,494.2	1,125.7	20.7	19.4	3.4	3.6
Other current liabilities	40.1	32.5	14.5	15.4	71.9	69.5
Other long-term liabilities	30.5	34.4	380.9	391.7	2,003.1	2,046.0
Net assets without donor restrictions	265.1	168.1	4.0	4.0	10.6	10.6
Total liabilities and net assets	\$ 4,050.7	\$ 3,519.1	\$ 420.1	\$ 430.5	\$ 2,089.0	\$ 2,129.7

Key Takeaways:

- ERCOT's bond investments increased \$1,186.6 M year-over-year, driven by the \$1,335.0 M additional bond investment in September 2023
- TEMSFM's other long-term liabilities decreased \$10.8 M year-over-year, driven by lower balance of long-term debt payable liabilities
- TEMSFN's other long-term liabilities decreased \$42.9 M year-over-year, driven by lower balance of long-term debt payable liabilities



Review 2024 Financial Summary: ERCOT Statements of Activities and Net Assets

For the Four Months Ended April 30
Dollars in Millions

	ERCOT		Texas Electric Market Stabilization Funding M (TEMSFM)		Texas Electric Market Stabilization Funding N (TEMSFN)	
	2024	2023	2024	2023	2024	2023
Operating revenues	\$ 90.8	\$ 74.3	\$ 4.0	\$ 5.1	\$ 33.4	\$ 34.1
Operating expenses	105.8	94.6	0.3	0.3	0.4	0.4
(Loss) income from operations	(15.0)	(20.3)	3.7	4.8	33.0	33.7
*Other income (expense)	29.7	33.3	(3.7)	(4.8)	(33.0)	(33.7)
Change in net assets without donor restrictions	14.7	13.0	-	-	-	-
Net assets without donor restrictions, beginning of year	250.4	155.1	4.0	4.0	10.6	10.6
Net assets without donor restrictions, end of period	\$ 265.1	\$ 168.1	\$ 4.0	\$ 4.0	\$ 10.6	\$ 10.6

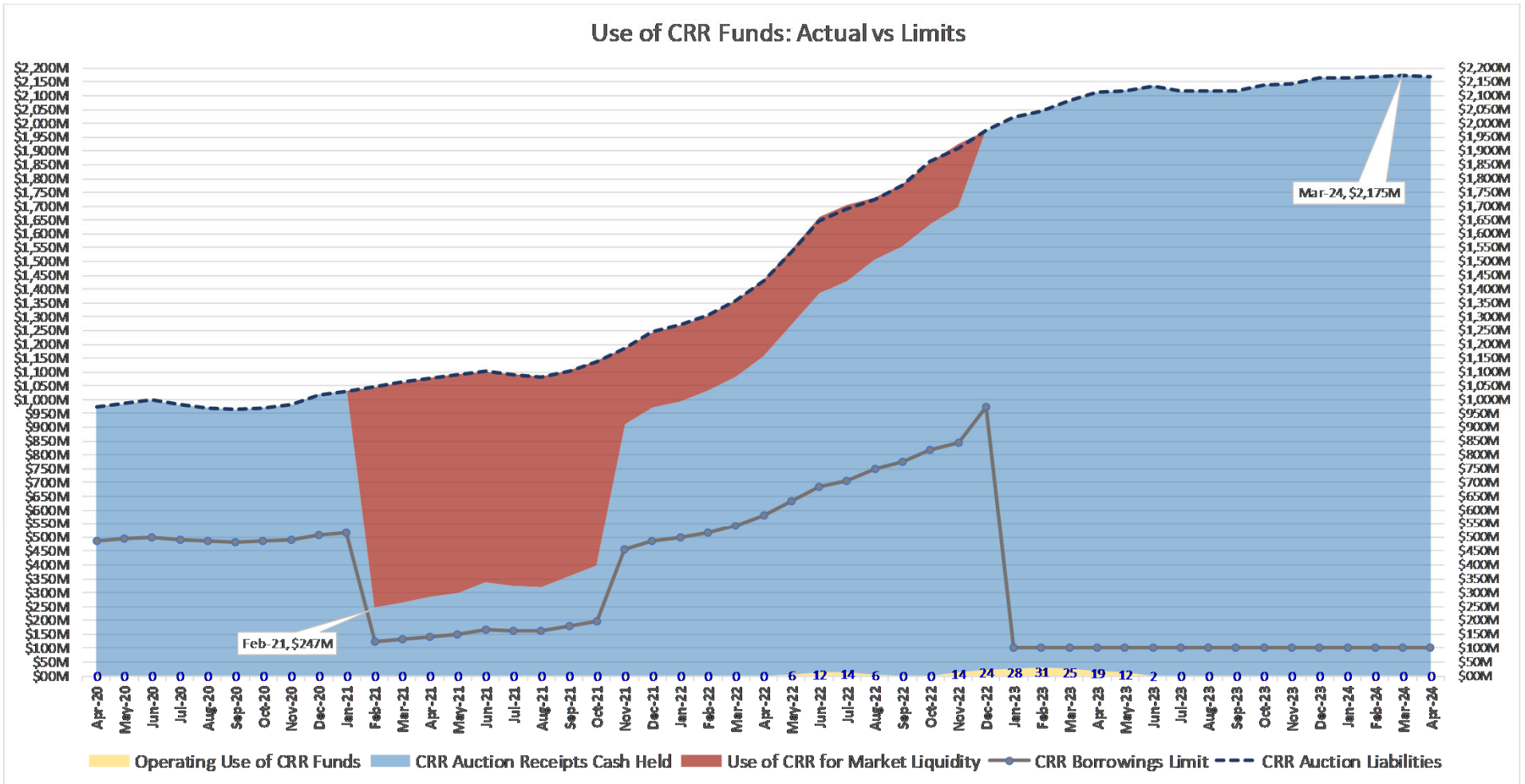
* Bond investment fair value adjustment is reported monthly in 2024 vs annually in 2023

Key Takeaways: ERCOT's year-over-year change in net assets without donor restrictions (equity) increased by \$1.7 M:

- \$16.5 M increase in operating revenues
 - \$15.4 M (22%) increase in system admin fee revenue
- \$11.2 M increase in operating expenses, driven by
 - \$8.3 M (15%) increase in salaries and related benefits expense
 - \$1.8 M (16%) increase in depreciation expense
 - \$1.4 M (22%) increase in outside services expense
 - \$0.4 M (3%) increase in hardware and software maintenance expense
 - \$0.7 M (17%) decrease in other expense mainly driven by insurance premium
- \$3.6 M decrease in other income (interest income)
 - \$13.0 M (565%) increase in fair value adjustment loss (\$10.7 M loss in 2024 vs \$2.3 M gain in 2023)



Review 2024 Financial Summary: Use of CRR Funds: Actual vs Limits



Key Takeaway: As of April 2024, Unrestricted Cash and Bond Investments exceeded Market Liabilities by \$83.7 M



Review 2024 Financial Summary:

Appendices

Electric Reliability Council of Texas, Inc. 2024 Financial Summary As of June 5, 2024 (\$ in Millions)						Year-to-Date (April 30)					Year-End (December 31)				
						2023		2024			2023		2024		
Line	Actual	Budget	Actual	Variance		Actual	Budget	Forecast	Variance						
				\$	%				\$	%					
1	\$ 69.7	\$ 87.3	\$ 85.2	\$ (2.2)	(2.5)	\$ 247.5	\$ 292.9	\$ 294.8	\$ 1.8	0.6					
2	Department Net Expenditures														
3	41.4	43.1	39.3	3.7	8.7	110.4	129.5	124.8	4.7	3.6					
4	21.4	29.4	25.4	4.0	13.7	65.5	86.7	80.6	6.1	7.1					
5	10.2	11.8	11.5	0.2	2.0	30.6	43.8	45.3	(1.5)	(3.4)					
6	7.6	9.4	7.3	2.1	22.3	22.7	28.5	22.6	5.9	20.8					
7	2.0	3.7	2.3	1.4	37.9	7.4	12.6	11.4	1.2	9.3					
8	2.7	3.4	3.1	0.3	8.5	8.1	9.7	9.6	0.1	0.9					
9	2.6	3.0	3.3	(0.3)	(10.1)	5.2	5.6	5.8	(0.3)	(4.5)					
10	(4.4)	(6.4)	(6.2)	(0.2)	(3.7)	(14.9)	(19.3)	(18.8)	(0.4)	(2.2)					
11	83.4	97.3	86.1	11.2	11.6	234.9	297.1	281.3	15.8	5.3					
12	(13.6)	(10.0)	(0.9)	9.1	90.6	12.6	(4.2)	13.5	17.6	424.0					
13															
14	6.6	19.7	11.7	8.0	40.7	38.4	59.1	58.8	0.3	0.5					
15	0.4	0.5	0.4	0.1	23.9	1.2	1.4	1.3	0.1	8.1					
16	33.7	16.6	30.0	13.4	81.0	120.2	49.8	108.5	58.7	118.0					
17															
18	\$ 13.1	\$ (13.6)	\$ 17.0	\$ 30.7	225.2	\$ 93.2	\$ (14.9)	\$ 61.9	\$ 76.8	514.8					

Note: Schedule may not foot due to rounding



Electric Reliability Council of Texas, Inc. 2024 Financial Summary Variance Explanations As of June 5, 2024			
Line		Year-to-Date (April 30)	Year-End (December 31)
1	System Administration Revenue	-\$8.9 M - Weather +\$6.7 M - Economy	+\$1.8 M - Based on current actuals and load forecast for remainder of year
3	Chief Information Office	+\$0.8 M - Common infrastructure +\$0.4 M - WAN costs +\$0.5 M - HW/SW vendor support services [Resource Management - Project-Funded Work] +\$0.6 M - HW/SW support & maintenance renewals +\$0.3 M - Outside services/studies +\$0.3 M - Contingent labor [Resource Management - Staffing Management] +\$0.1 M - Data service subscriptions +\$0.1 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.1 M - Employee training & business travel -\$0.2 M - WAN revenue -\$0.1 M - Minor capital <u>Timing Differences</u> +\$0.2 M - Telecommunications +\$0.2 M - Minor capital +\$0.2 M - Contingent labor [Resource Management - Staffing Management] +\$0.1 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.1 M - Employee training & business travel	+\$2.4 M - Common infrastructure +\$1.1 M - WAN costs +\$0.7 M - HW/SW vendor support services [Resource Management - Project-Funded Work] +\$0.6 M - HW/SW support & maintenance renewals +\$0.3 M - Outside services/studies +\$0.3 M - Contingent labor [Resource Management - Staffing Management] +\$0.2 M - Data service subscriptions +\$0.1 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.1 M - Employee training & business travel -\$1.1 M - WAN revenue -\$0.1 M - Minor capital -\$0.1 M - ERCOT Innovation Summit +\$0.2 M - Other miscellaneous expenditures
4	Chief Operations Office	+\$3.4 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.3 M - Contingent labor [Resource Management - Staffing Management] -\$0.3 M - Outside services/studies -\$0.3 M - Minor capital -\$0.1 M - Operator training seminar revenue <u>Timing Differences</u> +\$1.0 M - Outside services/studies +\$0.3 M - Employee training & business travel -\$0.2 M - Inspection revenue -\$0.1 M - Interconnection revenue	+\$6.3 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$1.4 M - Inspection revenue +\$0.5 M - Contingent labor [Resource Management - Staffing Management] -\$1.6 M - Outside services/studies -\$0.3 M - Minor capital -\$0.1 M - Company dues -\$0.1 M - Data service subscriptions -\$0.1 M - Operator training seminar revenue +\$0.1 M - Other miscellaneous expenditures
5	General Counsel	-\$0.5 M - Building systems maintenance -\$0.1 M - Software +\$0.5 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.1 M - Employee training & business travel +\$0.1 M - Membership dues revenue <u>Timing Differences</u> +\$0.1 M - Electricity	-\$2.0 M - Building systems maintenance -\$0.7 M - Minor capital -\$0.2 M - Software +\$1.0 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.2 M - Outside services/studies +\$0.1 M - Employee training & business travel +\$0.1 M - Membership dues revenue

Electric Reliability Council of Texas, Inc. 2024 Financial Summary Variance Explanations As of June 5, 2024		
Line	Year-to-Date (April 30)	Year-End (December 31)
6 Chief Financial Office	+ \$1.4 M - Insurance premiums + \$0.4 M - Property tax + \$0.3 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] + \$0.1 M - SPE M & N administration & servicing revenue - \$0.1 M - Outside services/studies	+ \$4.6 M - Insurance premiums + \$1.3 M - Property tax + \$0.4 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] + \$0.2 M - SPE M & N administration & servicing revenue - \$0.6 M - Outside services/studies
7 Human Resources	+ \$0.2 M - Contingent labor [Resource Management - Staffing Management] + \$0.3 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] + \$0.1 M - Outside services/studies + \$0.1 M - Employee training & business travel + \$0.1 M - Recruiting & pre-employment costs + \$0.1 M - Other miscellaneous expenditures <u>Timing Differences</u> + \$0.2 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] + \$0.2 M - Outside services/studies + \$0.1 M - Corporate events	+ \$0.5 M - Contingent labor [Resource Management - Staffing Management] + \$0.3 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] + \$0.2 M - Outside services/studies + \$0.1 M - Employee training & business travel + \$0.1 M - Recruiting & pre-employment costs - \$0.1 M - Software + \$0.1 M - Other miscellaneous expenditures
8 Public Affairs	+ \$0.1 M - Outside services/studies + \$0.1 M - Employee training & business travel + \$0.1 M - Registration fees revenue - \$0.1 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] <u>Timing Differences</u> + \$0.1 M - Outside services/studies	+ \$0.1 M - Outside services/studies + \$0.1 M - Employee training & business travel + \$0.1 M - Registration fees revenue - \$0.2 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management]
9 Chief Executive Office	- \$0.5 M - Outside services/studies + \$0.2 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management]	- \$0.5 M - Outside services/studies + \$0.2 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management]
10 Project Funded Labor	- \$0.2 M - Multiple projects [Resource Management - Project-Funded Work]	- \$0.4 M - Multiple projects [Resource Management - Project-Funded Work]
14 Project Expenditures	+ \$0.2 M - All projects <u>Timing Differences</u> + \$7.8 M - All projects	+ \$0.3 M - All projects
15 Interest Expense	+ \$0.1 M - Bank fees	+ \$0.1 M - Bank fees
16 Interest Income	+ \$21.9 M - Interest rate + \$2.2 M - Investment balance - \$2.8 M - Fair value adjustment <u>Timing Differences</u> - \$7.9 M - Fair value adjustment	+ \$57.6 M - Interest rate + \$3.9 M - Investment balance - \$2.8 M - Fair value adjustment



Electric Reliability Council of Texas, Inc.
Project Expenditures Summary
(\$ in Millions)

Line	Project	Year-to-Date As of April 30, 2024		Year-End (YE) As of June 5, 2024		Life-to-Date As of April 30, 2024		Estimate-at-Completion (EAC) As of June 5, 2024			
		Actual	% of YE Forecast	YE Forecast	% of All Included Projects	Actual	% of EAC Forecast	EAC Forecast	% of All Included Projects	Budget	Variance
1	RTC-B Grid & Markets	\$ 1.2	20%	\$ 6.1	10%	\$ 1.4	6%	\$ 24.8	12%	\$ 24.8	-
2	RTC-B Program Control	0.3	6%	6.0	10%	1.2	9%	13.9	7%	13.9	-
3	RTC-B Commercial Applications	0.4	25%	1.5	3%	0.6	10%	5.8	3%	5.8	-
4	RTC-B Integration & Information	0.2	17%	0.9	2%	0.2	3%	5.3	3%	5.3	-
5	Dispatchable Reliability Reserve Service (DRRS)	-	0%	-	0%	-	0%	1.3	1%	1.3	-
6	Subtotal - Market Design Projects	2.1	14%	14.5	25%	3.4	7%	51.2	26%	51.2	-
7	Data Center 5.0 (DC5) Program	2.1	36%	5.8	10%	56.6	93%	60.6	30%	60.7	0.1
8	Energy Management System (EMS) Upgrade 2024	(0.6)	102%	(0.6)	-1%	16.9	100%	16.9	8%	16.8	(0.1)
9	Second iTest Environment	0.0	0%	10.3	18%	0.0	0%	11.5	6%	11.5	-
10	Market Management System (MMS) Outage Scheduler (OS) Red Hat Enterprise Linux (RHEL) Migration	1.2	93%	1.3	2%	4.6	98%	4.7	2%	4.6	(0.1)
11	ServiceNow Change Management	0.0	0%	1.9	3%	0.0	0%	3.9	2%	3.9	(0.0)
12	Treasury Management Risk Mitigation	0.6	81%	0.7	1%	2.6	95%	2.7	1%	2.7	(0.1)
13	Texas Standard Electronic Transaction (Texas SET) 5.0	0.3	32%	0.9	2%	1.4	69%	2.0	1%	2.0	(0.0)
14	TIBCO BusinessWorks Upgrade	1.0	68%	1.4	2%	1.9	95%	2.0	1%	2.0	(0.0)
15	Total Projects with EAC Budget Over \$2.0M	6.6	18%	36.3	62%	87.4	56%	155.5	78%	155.3	(0.2)
16	Other Projects	5.0	22%	22.5	38%	18.1	40%	45.0	22%	45.4	0.4
17	Total Project Expenditures	\$ 11.7	20%	\$ 58.8	100%	\$ 105.5	53%	\$ 200.5	100%	\$ 200.8	\$ 0.3

Note: Schedule may not foot due to rounding

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**Statements of Financial Position****As of April 30, 2024 and 2023**

(Dollars in Thousands)

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 603,116	\$ 1,624,046
Accounts receivable	5,136	3,274
Unbilled revenue	5,534	5,742
Interest receivable	14,974	11,960
Receivable from intercompany	539	217
Restricted cash and cash equivalents	1,489,008	1,121,658
Short-term investments	1,065,845	513,642
Prepaid expenses and other current assets	39,897	42,887
Total current assets	3,224,049	3,323,426
Long-term investments	643,645	14,579
Property and equipment, net	137,291	145,350
Systems under development	44,915	34,940
Other long term assets	821	827
Total assets	\$ 4,050,721	\$ 3,519,122
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 3,789	\$ 2,388
Accrued liabilities	27,473	22,124
Payable to intercompany	935	384
Deferred revenue	10,072	8,025
Market settlement liabilities	1,304,094	1,136,902
Security deposits	1,488,073	1,121,274
Debt payable, current portion	4,000	4,000
Total current liabilities	2,838,436	2,295,097
Long-term liabilities:		
Debt payable, less current portion:		
Principal	30,000	34,000
Less unamortized debt issuance costs	115	133
Debt payable less current portion and unamortized debt issuance costs	29,885	33,867
Long-term CRR liabilities	916,736	1,021,481
Other long-term liabilities	607	582
Total long-term liabilities	947,228	1,055,930
Total liabilities	3,785,664	3,351,027
Net assets without donor restrictions	265,057	168,095
Total liabilities and net assets	\$ 4,050,721	\$ 3,519,122



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
Statements of Activities and Changes in Net Assets
For the Four Months Ended April 30, 2024 and 2023
(Dollars in Thousands)

	2024	2023
Operating revenues		
System administration fees	\$ 85,156	\$ 69,742
Other services revenue	5,633	4,541
Total operating revenues	90,789	74,283
Operating expenses		
Salaries and related benefits	64,733	56,420
Facility and equipment costs	3,113	3,073
Outside services	8,113	6,675
Hardware and software maintenance and licensing	13,429	13,071
Depreciation	12,798	11,025
Other	3,603	4,362
Total operating expenses	105,789	94,626
Loss from operations	(15,000)	(20,343)
Other income (expense)		
Investment return, net	30,021	33,735
Interest expense	(365)	(400)
Non-operating income	5	1
Change in net assets without donor restrictions	14,661	12,993
Net assets without donor restrictions, beginning of year	250,396	155,102
Net assets without donor restrictions, end of period	\$ 265,057	\$ 168,095

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
Statements of Cash Flows
For the Four Months Ended April 30, 2024 and 2023
(Dollars in Thousands)

	2024	2023
Operating activities:		
Change in net assets without donor restrictions	\$ 14,661	\$ 12,993
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:		
Depreciation/amortization of assets	12,798	11,025
Amortization of right-of-use assets	98	79
Amortization of debt issuance costs	6	5
Amortization of bond investment discount	(20,526)	(5,174)
Unrealized loss (gains) on bond investments	10,664	(2,259)
Changes in operating assets and liabilities:		
Accounts receivable	507	2,351
Unbilled revenue	1,997	(543)
Interest receivable	1,779	(737)
Receivable from intercompany	11	717
Prepaid expenses and other assets	1,904	(6,743)
Other long-term liabilities	(96)	(161)
Accounts payable	(6,124)	(5,251)
Accrued liabilities	(6,946)	3,275
Payable to intercompany	213	(382,363)
Deferred revenue	1,070	355
Security deposits	(39,858)	(277,287)
Market settlement liabilities	(101,594)	(366,768)
Long-term CRR liabilities	98,103	175,895
Net cash (used in) operating activities	<u>(31,333)</u>	<u>(840,591)</u>
Investing activities:		
Purchase of investments	(400,567)	(151,200)
Proceeds from investments	478,000	150,010
Capital expenditures for property and equipment and systems under development	(16,663)	(12,162)
Net cash provided by (used in) investing activities	<u>60,770</u>	<u>(13,352)</u>
Financing activities:		
Repayment of debt payable	(1,000)	(1,000)
Net cash (used in) financing activities	<u>(1,000)</u>	<u>(1,000)</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	28,437	(854,943)
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year	2,063,687	3,600,647
Cash, cash equivalents, and restricted cash and cash equivalents, end of period	<u>\$ 2,092,124</u>	<u>\$ 2,745,704</u>



ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Financial Position
As of April 30, 2024
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M (TEMSFM)	Texas Electric Market Stabilization Funding N (TEMSFN)	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ 603,116	\$ 4,052	\$ -	\$ -	\$ 607,168
Securitization charges receivable, current	-	9,510	44,057	-	53,567
Accounts receivable	5,136	-	-	-	5,136
Unbilled revenue	5,534	-	-	(414)	5,120
Interest receivable	14,974	127	199	-	15,300
Receivable from intercompany	539	-	935	(1,474)	-
Restricted cash and cash equivalents	1,489,008	26,945	51,964	-	1,567,917
Short-term investments	1,065,845	-	-	-	1,065,845
Prepaid expenses and other current assets	39,897	-	-	-	39,897
Total current assets	3,224,049	40,634	97,155	(1,888)	3,359,950
Long-term investments	643,645	-	-	(14,579)	629,066
Property and equipment, net	137,291	-	-	-	137,291
Systems under development	44,915	-	-	-	44,915
Securitization charges receivable, non current	-	379,495	1,991,797	-	2,371,292
Other long term assets	821	-	-	-	821
Total assets	\$ 4,050,721	\$ 420,129	\$ 2,088,952	\$ (16,467)	\$ 6,543,335
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	\$ 3,789	\$ -	\$ -	\$ -	\$ 3,789
Accrued liabilities	27,473	3,777	27,945	-	59,195
Payable to intercompany	935	448	505	(1,888)	-
Deferred revenue	10,072	-	-	-	10,072
Market settlement liabilities	1,304,094	-	-	-	1,304,094
Security deposits	1,488,073	20,560	3,200	-	1,511,833
Debt payable, current portion	4,000	10,412	43,609	-	58,021
Total current liabilities	2,838,436	35,197	75,259	(1,888)	2,947,004
Long-term liabilities:					
Debt payable, less current portion:					
Principal	30,000	383,278	2,015,409	-	2,428,687
Less unamortized discount and debt issuance costs	115	2,346	12,295	-	14,756
Debt payable less current portion and unamortized discount and debt issuance costs	29,885	380,932	2,003,114	-	2,413,931
Long-term CRR liabilities	916,736	-	-	-	916,736
Other long-term liabilities	607	-	-	-	607
Total long-term liabilities	947,228	380,932	2,003,114	-	3,331,274
Total liabilities	3,785,664	416,129	2,078,373	(1,888)	6,278,278
Net assets without donor restrictions	265,057	4,000	10,579	(14,579)	265,057
Total liabilities and net assets	\$ 4,050,721	\$ 420,129	\$ 2,088,952	\$ (16,467)	\$ 6,543,335



ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Activities and Changes in Net Assets
For the Four Months Ended April 30, 2024
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M (TEMSFM)	Texas Electric Market Stabilization Funding N (TEMSFN)	Eliminations	Consolidated
Operating revenues					
System administration fees	\$ 85,156	\$ -	\$ -	\$ -	\$ 85,156
Other services revenue	5,633	-	-	(553)	5,080
Securitization charges fees	-	3,977	33,438	-	37,415
Total operating revenues	90,789	3,977	33,438	(553)	127,651
Operating expenses					
Salaries and related benefits	64,733	-	-	-	64,733
Facility and equipment costs	3,113	-	-	-	3,113
Outside services	8,113	283	409	(553)	8,252
Hardware and software maintenance and licensing	13,429	-	-	-	13,429
Depreciation	12,798	-	-	-	12,798
Other	3,603	-	-	-	3,603
Total operating expenses	105,789	283	409	(553)	105,928
(Loss) income from operations	(15,000)	3,694	33,029	-	21,723
Other income (expense)					
Investment return, net	30,021	242	555	-	30,818
Interest expense	(365)	(3,936)	(33,584)	-	(37,885)
Non-operating income	5	-	-	-	5
Change in net assets without donor restrictions	14,661	-	-	-	14,661
Net assets without donor restrictions, beginning of year	250,396	4,000	10,579	(14,579)	250,396
Net assets without donor restrictions, end of period	\$ 265,057	\$ 4,000	\$ 10,579	\$ (14,579)	\$ 265,057



ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Cash Flows
For the Four Months Ended April 30, 2024
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M (TEMSFM)	Texas Electric Market Stabilization Funding N (TEMSFN)	Eliminations	Consolidated
Operating activities:					
Change in net assets without donor restrictions	\$ 14,661	\$ -	\$ -	\$ -	\$ 14,661
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:					
Depreciation/amortization of assets	12,798	-	-	-	12,798
Amortization of right-of-use assets	98	-	-	-	98
Amortization of discount & debt issuance costs	6	26	249	-	281
Amortization of bond investment discount	(20,526)	-	-	-	(20,526)
Unrealized loss on bond investments	10,664	-	-	-	10,664
Changes in operating assets and liabilities:					
Securitization charges receivable	-	3,407	13,854	212	17,473
Accounts receivable	507	-	-	-	507
Unbilled revenue	1,997	-	-	(276)	1,721
Interest receivable	1,779	17	120	3	1,919
Receivable from intercompany	11	-	-	(11)	-
Prepaid expenses and other assets	1,904	-	-	-	1,904
Other long-term liabilities	(96)	-	-	-	(96)
Accounts payable	(6,124)	(4)	-	-	(6,128)
Accrued liabilities	(6,946)	(2,082)	(16,099)	-	(25,127)
Payable to intercompany	213	(86)	(262)	135	-
Deferred revenue	1,070	-	-	-	1,070
Security deposits	(39,858)	(8)	(132)	-	(39,998)
Market settlement liabilities	(101,594)	-	-	-	(101,594)
Long-term CRR liabilities	98,103	-	-	-	98,103
Net cash (used in) provided by operating activities	(31,333)	1,270	(2,270)	63	(32,270)
Investing activities:					
Purchase of investments	(400,567)	-	-	-	(400,567)
Proceeds from investments	478,000	-	-	-	478,000
Capital expenditures for property and equipment and systems under development	(16,663)	-	-	-	(16,663)
Net cash provided by investing activities	60,770	-	-	-	60,770
Financing activities:					
Repayment of debt payable	(1,000)	(5,092)	(21,150)	-	(27,242)
Payment of debt issuance costs	-	-	-	(63)	(63)
Net cash (used in) financing activities	(1,000)	(5,092)	(21,150)	(63)	(27,305)
Net increase (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	28,437	(3,822)	(23,420)	-	1,195
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year	2,063,687	34,819	75,384	-	2,173,890
Cash, cash equivalents, and restricted cash and cash equivalents, end of period	\$ 2,092,124	\$ 30,997	\$ 51,964	\$ -	\$ 2,175,085

ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Financial Position
As of April 30, 2023
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M (TEMSFM)	Texas Electric Market Stabilization Funding N (TEMSFN)	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,624,046	\$ 4,043	\$ -	\$ -	\$ 1,628,089
Securitization charges receivable, current	-	9,369	42,304	-	51,673
Accounts receivable	3,274	-	-	-	3,274
Unbilled revenue	5,742	-	-	(414)	5,328
Interest receivable	11,960	118	175	-	12,253
Receivable from intercompany	217	4	380	(601)	-
Restricted cash and cash equivalents	1,121,658	27,844	51,537	-	1,201,039
Short-term investments	513,642	-	-	-	513,642
Prepaid expenses and other current assets	42,887	4	-	-	42,891
Total current assets	3,323,426	41,382	94,396	(1,015)	3,458,189
Long-term investments	14,579	-	-	(14,579)	-
Property and equipment, net	145,350	-	-	-	145,350
Systems under development	34,940	-	-	-	34,940
Securitization charges receivable, non current	-	389,093	2,035,278	-	2,424,371
Other long term assets	827	-	-	-	827
Total assets	\$ 3,519,122	\$ 430,475	\$ 2,129,674	\$ (15,594)	\$ 6,063,677
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	\$ 2,388	\$ 3	\$ -	\$ -	\$ 2,391
Accrued liabilities	22,124	5,223	27,485	-	54,832
Payable to intercompany	384	185	446	(1,015)	-
Deferred revenue	8,025	-	-	-	8,025
Market settlement liabilities	1,136,902	-	-	-	1,136,902
Security deposits	1,121,274	19,273	3,313	-	1,143,860
Debt payable, current portion	4,000	10,110	41,874	-	55,984
Total current liabilities	2,295,097	34,794	73,118	(1,015)	2,401,994
Long-term liabilities:					
Debt payable, less current portion:					
Principal	34,000	393,690	2,059,019	-	2,486,709
Less unamortized discount and debt issuance costs	133	2,009	13,042	-	15,184
Debt payable less current portion and unamortized discount and debt issuance costs	33,867	391,681	2,045,977	-	2,471,525
Long-term CRR liabilities	1,021,481	-	-	-	1,021,481
Other long-term liabilities	582	-	-	-	582
Total long-term liabilities	1,055,930	391,681	2,045,977	-	3,493,588
Total liabilities	3,351,027	426,475	2,119,095	(1,015)	5,895,582
Net assets without donor restrictions	168,095	4,000	10,579	(14,579)	168,095
Total liabilities and net assets	\$ 3,519,122	\$ 430,475	\$ 2,129,674	\$ (15,594)	\$ 6,063,677



ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Activities and Changes in Net Assets
For the Four Months Ended April 30, 2023
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M (TEMSFM)	Texas Electric Market Stabilization Funding N (TEMSFN)	Eliminations	Consolidated
Operating revenues					
System administration fees	\$ 69,742	\$ -	\$ -	\$ -	\$ 69,742
Other services revenue	4,541	-	-	(553)	3,988
Securitization charges fees	-	5,069	34,076	-	39,145
Total operating revenues	74,283	5,069	34,076	(553)	112,875
Operating expenses					
Salaries and related benefits	56,420	-	-	-	56,420
Facility and equipment costs	3,073	-	-	-	3,073
Outside services	6,675	280	408	(553)	6,810
Hardware and software maintenance and licensing	13,071	-	-	-	13,071
Depreciation	11,025	-	-	-	11,025
Other	4,362	2	-	-	4,364
Total operating expenses	94,626	282	408	(553)	94,763
(Loss) income from operations	(20,343)	4,787	33,668	-	18,112
Other income (expense)					
Investment return, net	33,735	206	489	-	34,430
Interest expense	(400)	(4,993)	(34,157)	-	(39,550)
Non-operating income	1	-	-	-	1
Change in net assets without donor restrictions	12,993	-	-	-	12,993
Net assets without donor restrictions, beginning of year	155,102	4,000	10,579	(14,579)	155,102
Net assets without donor restrictions, end of period	\$ 168,095	\$ 4,000	\$ 10,579	\$ (14,579)	\$ 168,095



ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Cash Flows
For the Four Months Ended April 30, 2023
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M (TEMSFM)	Texas Electric Market Stabilization Funding N (TEMSFN)	Eliminations	Consolidated
Operating activities:					
Change in net assets without donor restrictions	\$ 12,993	\$ -	\$ -	\$ -	\$ 12,993
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:					
Depreciation/amortization of assets	11,025	-	-	-	11,025
Amortization of right-of-use assets	79	-	-	-	79
Amortization of debt issuance costs	5	25	249	-	279
Amortization of bond investment discount	(5,174)	-	-	-	(5,174)
Unrealized gains on bond investments	(2,259)	-	-	-	(2,259)
Changes in operating assets and liabilities:					
Securitization charges receivable	-	3,836	12,607	(75)	16,368
Accounts receivable	2,351	-	-	-	2,351
Unbilled revenue	(543)	-	1,843	(594)	706
Interest receivable	(737)	89	357	-	(291)
Receivable from intercompany	717	382,289	-	(383,006)	-
Prepaid expenses and other assets	(6,743)	(2)	-	-	(6,745)
Other long-term liabilities	(161)	-	-	-	(161)
Accounts payable	(5,251)	(1)	-	-	(5,252)
Accrued liabilities	3,275	(6,697)	(28,565)	-	(31,987)
Payable to intercompany	(382,363)	(238)	(353)	382,954	-
Deferred revenue	355	-	-	-	355
Security deposits	(277,287)	708	274	-	(276,305)
Market settlement liabilities	(366,768)	-	-	-	(366,768)
Long-term CRR liabilities	175,895	-	-	-	175,895
Net cash (used in) provided by operating activities	(840,591)	380,009	(13,588)	(721)	(474,891)
Investing activities:					
Purchase of investments	(151,200)	-	-	-	(151,200)
Proceeds from investments	150,010	-	-	-	150,010
Capital expenditures for property and equipment and systems under development	(12,162)	-	-	-	(12,162)
Net cash (used in) investing activities	(13,352)	-	-	-	(13,352)
Financing activities:					
Repayment of debt payable	(1,000)	(391,956)	(14,807)	-	(407,763)
Payment of debt issuance costs	-	(213)	(508)	721	-
Net cash (used in) financing activities	(1,000)	(392,169)	(15,315)	721	(407,763)
Net (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	(854,943)	(12,160)	(28,903)	-	(896,006)
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year	3,600,647	44,047	80,440	-	3,725,134
Cash, cash equivalents, and restricted cash and cash equivalents, end of period	\$ 2,745,704	\$ 31,887	\$ 51,537	\$ -	\$ 2,829,128