



## **Item 5.2: Periodic Report on Investments**

*Leslie Wiley*  
Treasurer

Finance and Audit Committee Meeting

ERCOT Public  
August 19, 2024

# Overview

- **Purpose**
  - To provide the Finance and Audit (F&A) Committee a periodic review of investment compliance and performance
- **Voting Items / Requests**
  - No action is requested of the F&A Committee or Board; for discussion only
- **Key Takeaways**
  - ERCOT's Money Market Mutual Fund ( MMMF ) investment yields are consistent with the April yields reported at the prior F&A meeting. As of the end of June 2024, ERCOT's MMMF yields equaled approximately 5.17% and the purchase yield of ERCOT's U.S. Treasury Obligation Portfolio equaled approximately 5.21%
  - ERCOT is in compliance with all investment requirements for June
    - ERCOT was out of compliance with one component for one day in May. On May 14, 2024, one MMMF was beyond the 10% threshold at 10.28%. It was brought back into compliance the following day

# Investment Compliance

Money Market Mutual Funds (MMMF)	Compliance
Credit analysis reviewed by Investment Officer. MMMF must maintain a minimum rating consistent with the U.S. Government.	Yes
100% treasury analysis reviewed by Investment Officers. MMMF invested in U.S. Treasury Securities or a combination of U.S. Treasury Securities and repurchase agreements backed by U.S. Treasury Securities.	Yes
Concentration analysis reviewed by Investment Officers. No more than 10% of investable funds will be maintained in any one ERCOT, Inc. MMMF.	No, one MMMF fund was at 10.28% on May 14, 2024. It was brought back into compliance on May 15, 2024.
Each MMMF has assets under management of at least \$1 billion.	Yes
There are no direct investments in any of the institutions listed in the divestment provisions as outlined in Texas Government Code Chapter 809.	Yes
There are no MMMF listed in the divestment provisions as outlined in Texas Government Code Chapter 809.	Yes

**Key Takeaway:** ERCOT is in compliance with all investment requirements for June

- ERCOT was out of compliance with one component for one day in May. On May 14, 2024, one MMMF was beyond the 10% threshold at 10.28%. It was brought back into compliance the following day



# Investment Compliance

U.S. Treasury Obligation Portfolio	Compliance
Review the portfolio to ensure investments are matched with anticipated cash flow requirements and in compliance with the Investment Management Agreement.	Yes
Investments will have a legal final maturity of not more than three years.	Yes
There are no direct investments in any of the institutions listed in the divestment provisions as outlined in Texas Government Code Chapter 809.	Yes
There are no money market mutual funds listed in the divestment provisions as outlined in Texas Government Code Chapter 809.	Yes

**Key Takeaway:** ERCOT is in compliance with all U.S. Treasury Obligation Portfolio investment requirements

**Electric Reliability Council of Texas, Inc.**  
**Investment Compliance**  
**June 30, 2024**

(\$ in 000's)

	Funds Held at ERCOT (Ending Balance)	Funds Held at Trustee (Ending Balance)	Month End Yield	Monthly Investment Income
<b>Money Market Mutual Funds (MMMF)</b>				
ERCOT, Inc. Unrestricted	\$ 486,511	\$ -	N/A	\$ 2,298
ERCOT, Inc. Restricted (Collateral)	1,520,624	-	N/A	6,165
Total ERCOT, Inc. MMMF	\$ 2,007,135	\$ -	5.17%	\$ 8,464
Texas Electric Market Stabilization Funding M, LLC	\$ 18,422	\$ 16,593	5.18%	\$ 144
Texas Electric Market Stabilization Funding N, LLC	\$ 3,130	\$ 72,475	5.21%	\$ 301
<b>U.S. Treasury Obligation Portfolio</b>	<b>Purchase Price</b>	<b>Duration</b>	<b>Purchase Yield</b>	<b>Monthly Investment Income</b>
ERCOT, Inc. Unrestricted	\$ 1,832,855	0.73	5.21%	\$ 7,503

**Statement of Compliance**

Upon a review of the investment activity, I have no knowledge of any ERCOT action that does not comply with that required by the Investment Corporate Standard since the last report provided to the Finance and Audit Committee.

**Money Market Mutual Funds (MMMF)**

- Credit analysis must maintain a minimum rating consistent with the U.S. Government.
- 100% treasury analysis reviewed by Investment Officers. MMMF invested in U.S. Treasury Securities or a combination of U.S. Treasury Securities and repurchase agreements backed by U.S. Treasury Securities.
- Concentration analysis reviewed by Investment Officers. No more than 10% of investable funds will be maintained in any one ERCOT, Inc. MMMF.
- Each MMMF has assets under management of at least \$1 billion.
- There are no direct investments in any of the institutions listed in the divestment provisions as outlined in Texas Government Code Chapter 809.
- There are no MMMF listed in the divestment provisions as outlined in Texas Government Code Chapter 809.

**U.S. Treasury Obligation Portfolio**

- Review the portfolio to ensure investments are matched with anticipated cash flow requirements and in compliance with the Investment Management Agreement.
- Investments will have a legal final maturity of not more than three years.
- There are no direct investments in any of the institutions listed in the divestment provisions as outlined in Texas Government Code Chapter 809.
- There are no MMMF listed in the divestment provisions as outlined in Texas Government Code Chapter 809.

Signature on File

Sean Taylor Senior Vice President, CFO, and CRO

Note: Investment monthly holdings are available for review upon request.

Note: Schedule may not foot due to rounding.



# Investment Compliance

## Appendices

**Electric Reliability Council of Texas, Inc.**  
**Money Market Mutual Funds (MMMF)**  
**June 30, 2024**  
(\$ in 000's)

MMMF	Unrestricted	Restricted	Total Ending	Percentage	Month	Unrestricted	Restricted	Total
	Ending Balance	Ending Balance	Balance	of Portfolio	End Yield	Monthly Investment Income	Monthly Investment Income	Monthly Investment Income
Allspring 100% Treasury Money Market Fund (Admin)	\$ -	\$ 329	\$ 329	0.02%	5.05%	\$ -	\$ 1	\$ 1
Allspring Treasury Plus Money Market Fund (Institutional)	100	170,363	170,463	8.49%	5.14%	0	718	718
BlackRock Institutional T-Fund (60) MMF	610	165,995	166,605	8.30%	5.17%	3	706	709
BlackRock Institutional Treasury Trust Fund MMF	50	504	554	0.03%	5.18%	0	2	2
Dreyfus Treasury Prime Cash Management MMF	400	168,447	168,847	8.41%	5.15%	2	716	718
Federated Fund 0125 US Treasury Cash Reserves Fund	300	657	957	0.05%	5.14%	1	3	4
Federated Fund 068 Treasury Obligations Fund	700	153,732	154,432	7.69%	5.14%	3	652	655
Fidelity 680 Institutional MMF: Treasury Only Portfolio	500	471	971	0.05%	5.21%	2	31	33
Fidelity Investments Money Market Treasury Portfolio (Class I)	94,300	84,572	178,872	8.91%	5.21%	518	77	596
First Amer Treas Oblig/CI Z	50	684	734	0.04%	5.15%	0	3	3
Goldman Sachs Treasury Instruments Fund 506	800	179,198	179,998	8.97%	5.14%	3	761	764
Invesco Institutional Treasury Portfolio	178	183,021	183,199	9.13%	5.20%	27	745	771
JPMorgan U.S. Treasury Plus Money Market Fund (Institutional)	80,328	81,409	161,737	8.06%	5.17%	325	346	671
Morgan Stanley Fund 8304 Treasury	490	169,963	170,453	8.49%	5.13%	2	718	720
State Street Global Advisors Institutional Treasury MMF	164,200	599	164,799	8.21%	5.21%	706	3	708
UBS Select Treasury Preferred Fund 46	143,005	513	143,518	7.15%	5.23%	704	2	706
Western Asset Institutional US Treasury Reserves	500	160,169	160,669	8.00%	5.16%	2	682	684
<b>Total MMMF</b>	<b>\$ 486,511</b>	<b>\$ 1,520,624</b>	<b>\$ 2,007,135</b>	<b>100.00%</b>	<b>5.17%</b>	<b>\$ 2,298</b>	<b>\$ 6,165</b>	<b>\$ 8,464</b>

Note: Schedule may not foot due to rounding.



**Texas Electric Market Stabilization Funding M, LLC (TEMSFM)  
Money Market Mutual Funds (MMMF)**

**June 30, 2024**

(\$ in 000's)

	Ending Balance	Month End Yield	Monthly Investment Income
<b>MMMF held at ERCOT, Inc.</b>			
<b>Capital</b>			
JPMorgan U.S. Treasury Plus Money Market Fund (Institutional)	\$ 4,087	5.15%	\$ 17
	4,087	5.15%	17
<b>Escrow (Collateral)</b>			
BlackRock Liquidity Funds: T-Fund	3,425	5.19%	15
Invesco Treasury Portfolio	3,601	5.19%	15
Morgan Stanley Institutional Liquidity Funds: Treasury Portfolio	3,652	5.14%	15
UBS Select Treasury Preferred Fund	3,656	5.24%	16
Total Escrow (Collateral) MMMF	14,335	5.19%	61
<b>Total MMMF held at ERCOT, Inc.</b>	<b>18,422</b>	<b>5.18%</b>	<b>78</b>
<b>MMMF held at Trustee</b>			
<b>Debt Service</b>			
First Am Treas Ob Fund	9,400	5.17%	35
Invesco Treasury Portfolio/Instit	726	5.22%	3
Total Debt Service MMMF	10,126	5.20%	38
<b>Debt Service Reserve</b>			
Allspring Treasury Plus Money Market Fund (Institutional)	4,088	5.17%	17
JPMorgan TR I 100 US TR Cap	2,379	5.18%	10
Total Debt Service Reserve MMMF	6,467	5.18%	27
<b>Total MMMF held at Trustee</b>	<b>16,593</b>	<b>5.18%</b>	<b>66</b>
<b>Total TEMSFM MMMF</b>	<b>\$ 35,015</b>	<b>5.18%</b>	<b>\$ 144</b>

Note: Schedule may not foot due to rounding.





**Texas Electric Market Stabilization Funding N, LLC (TEMSFN)  
Money Market Mutual Funds (MMMF)**

**June 30, 2024**

(\$ in 000's)

	Ending Balance	Month End Yield	Monthly Investment Income
<b>MMMF held at ERCOT, Inc.</b>			
<b>Escrow (collateral)</b>			
BlackRock Liquidity Funds: T-Fund	\$ 1,564	5.19%	\$ 7
Morgan Stanley Institutional Liquidity Funds: Treasury Portfolio	1,565	5.14%	7
<b>Total MMMF held at ERCOT, Inc.</b>	<b>3,130</b>	<b>5.17%</b>	<b>13</b>
<b>MMMF held at Trustee</b>			
<b>Debt Service</b>			
Invesco Treasury Portfolio Institutional	60,578	5.22%	237
First Am Treas Ob Fund	1,087	5.17%	5
<b>Total Debt Service MMMF</b>	<b>61,665</b>	<b>5.22%</b>	<b>241</b>
<b>Capital</b>			
JPMorgan TR I 100 US TR Cap	10,810	5.18%	46
<b>Total Capital MMMF</b>	<b>10,810</b>	<b>5.18%</b>	<b>46</b>
<b>Total MMMF held at Trustee</b>	<b>72,475</b>	<b>5.21%</b>	<b>287</b>
<b>Total TEMSFN MMMF</b>	<b>\$ 75,605</b>	<b>5.21%</b>	<b>\$ 301</b>

Note: Schedule may not foot due to rounding.



**Electric Reliability Council of Texas, Inc.**  
**Summary of U.S. Treasury Obligation Portfolio Results**  
**June 30, 2024**  
(\$ in 000's)

<b>Maturity Month</b>	<b>Par Value</b>	<b>Coupon Rate</b>	<b>Current Market Value</b>	<b>Current Market Yield</b>	<b>Purchase Price</b>	<b>Discount / (Premium)</b>	<b>Purchase Yield</b>	<b>Monthly Investment Income</b>	<b>Duration</b>
FUZXX	\$ 156,164	0.00%	\$ 156,164	5.15%	\$ 156,164	\$ -	-	\$ 518	0.18
Jul-24	116,675	1.75%	117,181	5.44%	112,637	4,038	5.39%	521	0.08
Aug-24	127,000	1.25%	126,644	5.48%	122,984	4,016	5.43%	569	0.17
Sep-24	121,000	1.50%	120,274	5.45%	117,036	3,964	5.39%	537	0.25
Oct-24	119,000	0.63%	117,530	5.44%	114,032	4,968	5.38%	525	0.29
Nov-24	94,000	1.50%	92,649	5.37%	90,655	3,345	5.33%	351	0.41
Dec-24	83,000	1.00%	81,439	5.33%	79,505	3,495	5.31%	309	0.45
Jan-25	105,000	1.38%	103,251	5.33%	100,571	4,429	5.30%	379	0.57
Feb-25	107,000	2.00%	105,618	5.36%	103,036	3,964	5.29%	392	0.61
Mar-25	111,000	2.63%	109,642	5.21%	107,412	3,588	5.21%	404	0.72
Apr-25	108,000	2.88%	106,495	5.20%	104,720	3,280	5.19%	381	0.80
May-25	55,000	2.13%	53,725	5.20%	52,601	2,399	5.16%	230	0.84
Jun-25	55,000	2.75%	54,502	5.13%	52,984	2,016	5.10%	229	0.96
Jul-25	51,000	0.25%	48,485	5.09%	47,004	3,996	5.08%	204	1.05
Aug-25	56,000	2.00%	54,568	5.08%	53,114	2,886	5.08%	229	1.08
Sep-25	55,000	3.00%	54,074	5.03%	53,012	1,988	5.03%	224	1.20
Oct-25	52,000	0.25%	48,892	4.99%	47,410	4,590	5.00%	203	1.30
Nov-25	35,000	0.38%	32,847	4.96%	32,119	2,881	4.94%	135	1.38
Dec-25	31,000	4.00%	30,655	4.93%	30,462	538	4.93%	126	1.39
Jan-26	39,000	0.38%	36,409	4.90%	35,558	3,442	4.89%	148	1.54
Feb-26	39,000	2.50%	37,872	4.86%	37,132	1,868	4.86%	152	1.58
Mar-26	39,000	2.25%	37,563	4.81%	36,877	2,123	4.83%	150	1.67
Apr-26	39,000	2.38%	37,523	4.79%	36,917	2,083	4.82%	150	1.75
May-26	21,000	1.63%	19,871	4.78%	19,673	1,327	4.85%	80	1.80
Jun-26	21,000	1.88%	20,073	4.72%	19,729	1,271	4.80%	79	1.92
Jul-26	19,000	1.88%	18,090	4.72%	17,804	1,196	4.80%	72	1.98
Aug-26	20,000	1.50%	18,829	4.71%	18,556	1,444	4.80%	75	2.03
Sep-26	18,000	1.63%	16,920	4.66%	16,703	1,297	4.77%	67	2.15
Oct-26	18,000	1.13%	16,645	4.65%	16,448	1,552	4.77%	66	2.25
<b>Total Investments</b>	<b>\$ 1,910,839</b>	<b>1.57%</b>	<b>\$ 1,874,430</b>	<b>5.19%</b>	<b>\$ 1,832,855</b>	<b>\$ 77,984</b>	<b>5.21%</b>	<b>\$ 7,503</b>	<b>0.73</b>

Note: Schedule may not foot due to rounding.



**Electric Reliability Council of Texas, Inc.**  
**Investment Income as of**  
**June 30, 2024**  
(\$ in 000's)

	<u>2024</u>	<u>2025</u>	<u>2026</u>
<b>U.S. Treasury Obligation Portfolio</b>			
Recognized - Investment Income	\$ 45,517	\$ -	\$ -
Unrealized - Investment Income (FMV Adjustment)	(8,676)	-	-
Unrecognized - Investment Income	36,221	30,210	4,902
Total U.S. Treasury Obligation Portfolio	<u>73,062</u>	<u>30,210</u>	<u>4,902</u>
<b>Money Market Mutual Funds (MMMF)</b>			
Recognized - Investment Income	15,894	-	-
Total MMMF	<u>15,894</u>	<u>-</u>	<u>-</u>
<b>Total Investment Income</b>	<u>\$ 88,957</u>	<u>\$ 30,210</u>	<u>\$ 4,902</u>
 Interest Income Per Approved Budget	 \$ 49,750	 \$ 39,750	 \$ 39,750