



Item 6.2: Periodic Report on Investments

Leslie Swanson
Treasurer and Controller

Finance and Audit Committee Meeting

ERCOT Public
December 2, 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 slightly decreased since the August yields reported at the prior F&A meeting. As of the end of October 2024, ERCOT's MMMF yields equaled approximately 4.68% and the purchase yield of ERCOT's U.S. Treasury Obligation Portfolio equaled approximately 4.85%
- ERCOT is in compliance with all investment requirements for October.

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.	Yes
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 October.

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
October 31, 2024
(\$ in 000's)

Money Market Mutual Funds (MMMF)	Funds Held at ERCOT (Ending Balance)	Funds Held at Trustee (Ending Balance)	Month End Yield	Monthly Investment Income
ERCOT, Inc. Unrestricted	\$ 463,511	\$ -	N/A	\$ 1,943
ERCOT, Inc. Restricted (Collateral)	1,690,422	-	N/A	6,628
Total ERCOT, Inc. MMMF	\$ 2,153,933	\$ -	4.68%	\$ 8,571
Texas Electric Market Stabilization Funding M, LLC	\$ 18,634	\$ 13,222	4.70%	\$ 124
Texas Electric Market Stabilization Funding N, LLC	\$ 3,183	\$ 48,923	4.72%	\$ 185

U.S. Treasury Obligation Portfolio	Purchase Price	Duration	Purchase Yield	Monthly Investment Income
ERCOT, Inc. Unrestricted	\$ 1,837,726	0.81	4.85%	\$ 7,428

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

Richard Scheel 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)
October 31, 2024
(\$ in 000's)

	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
MMMF								
Allspring 100% Treasury Money Market Fund (Admin)	\$ -	\$ 175,682	\$ 175,682	8.16%	4.53%	\$ -	\$ 692	\$ 692
Allspring Treasury Plus Money Market Fund (Institutional)	100	31,457	31,557	1.47%	4.67%	0	83	83
BlackRock Institutional T-Fund (60) MMF	710	203,301	204,011	9.47%	4.73%	3	779	782
BlackRock Institutional Treasury Trust Fund MMF	50	512	562	0.03%	4.62%	0	2	2
Dreyfus Treasury Prime Cash Management MMF	400	171,351	171,751	7.97%	4.63%	2	689	691
Federated Fund 0125 US Treasury Cash Reserves Fund	300	668	968	0.04%	4.61%	1	3	4
Federated Fund 068 Treasury Obligations Fund	700	191,739	192,439	8.93%	4.67%	3	761	763
Fidelity 680 Institutional MMF: Treasury Only Portfolio	100,500	509	101,009	4.69%	4.66%	408	2	410
Fidelity Investments Money Market Treasury Portfolio (Class I)	34,900	733	35,633	1.65%	4.71%	173	3	176
First Amer Treas Oblig/CI Z	50	696	746	0.03%	4.68%	0	3	3
Goldman Sachs Treasury Instruments Fund 506	800	164,265	165,065	7.66%	4.65%	3	664	667
Invesco Institutional Treasury Portfolio	178	186,123	186,301	8.65%	4.73%	1	748	749
JPMorgan U.S. Treasury Plus Money Market Fund (Institutional)	113,928	58,764	172,692	8.02%	4.68%	419	236	656
Morgan Stanley Fund 8304 Treasury	690	192,673	193,363	8.98%	4.70%	3	735	738
State Street Global Advisors Institutional Treasury MMF	164,200	609	164,809	7.65%	4.72%	674	3	677
UBS Select Treasury Preferred Fund 46	45,505	108,406	153,911	7.15%	4.75%	250	461	711
Western Asset Institutional US Treasury Reserves	500	202,931	203,431	9.44%	4.67%	2	767	769
Total MMMF	\$ 463,511	\$ 1,690,422	\$ 2,153,933	100.00%	4.68%	\$ 1,943	\$ 6,628	\$ 8,571

Note: Schedule may not foot due to rounding.

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

October 31, 2024

(\$ in 000's)

	Ending Balance	Month End Yield	Monthly Investment Income
MMMF held at ERCOT, Inc.			
Capital			
JPMorgan U.S. Treasury Plus Money Market Fund (Institutional)	\$ 4,052	4.66%	\$ 16
	4,052	4.66%	16
Escrow (Collateral)			
BlackRock Liquidity Funds: T-Fund	3,484	4.74%	14
Invesco Treasury Portfolio	3,663	4.70%	15
Morgan Stanley Institutional Liquidity Funds: Treasury Portfolio	3,715	4.71%	15
UBS Select Treasury Preferred Fund	3,720	4.77%	15
Total Escrow (Collateral) MMMF	14,582	4.73%	59
Total MMMF held at ERCOT, Inc.	18,634	4.71%	75
MMMF held at Trustee			
Debt Service			
First Am Treas Ob Fund	5,672	4.69%	19
Invesco Treasury Portfolio/Instit	798	4.73%	3
Total Debt Service MMMF	6,470	4.71%	22
Debt Service Reserve			
Allspring Treasury Plus Money Market Fund (Institutional)	4,053	4.68%	16
JPMorgan TR I 100 US TR Cap	2,699	4.67%	11
Total Debt Service Reserve MMMF	6,752	4.67%	27
Total MMMF held at Trustee	13,222	4.68%	49
Total TEMSFM MMMF	\$ 31,856	4.70%	\$ 124

Note: Schedule may not foot due to rounding.



Texas Electric Market Stabilization Funding N, LLC (TEMSFN)
Money Market Mutual Funds (MMMF)
October 31, 2024
(\$ in 000's)

	Ending Balance	Month End Yield	Monthly Investment Income
MMMF held at ERCOT, Inc.			
Escrow (collateral)			
BlackRock Liquidity Funds: T-Fund	\$ 1,591	4.74%	\$ 6
Morgan Stanley Institutional Liquidity Funds: Treasury Portfolio	1,592	4.71%	6
Total MMMF held at ERCOT, Inc.	3,183	4.72%	13
MMMF held at Trustee			
Debt Service			
Invesco Treasury Portfolio Institutional	36,912	4.73%	123
First Am Treas Ob Fund	1,295	4.69%	5
Total Debt Service MMMF	38,207	4.73%	129
Capital			
JPMorgan TR I 100 US TR Cap	10,717	4.67%	43
Total Capital MMMF	10,717	4.67%	43
Total MMMF held at Trustee	48,923	4.72%	172
Total TEMSFN MMMF	\$ 52,107	4.72%	\$ 185

Note: Schedule may not foot due to rounding.



Electric Reliability Council of Texas, Inc.
Summary of U.S. Treasury Obligation Portfolio Results
October 31, 2024
(\$ in 000's)

Maturity Month	Par Value	Coupon Rate	Current Market Value	Current Market Yield	Purchase Price	Discount / (Premium)	Purchase Yield	Monthly Investment Income	Duration
FUZXX	200,444	0.00%	200,444	4.68%	200,444	-	4.69%	829	0.17
Nov-24	94,000	1.50%	94,357	4.83%	90,655	3,345	5.33%	415	0.08
Dec-24	83,000	1.00%	82,947	4.82%	79,505	3,495	5.31%	365	0.12
Jan-25	105,000	1.38%	104,539	4.65%	100,571	4,429	5.30%	458	0.25
Feb-25	107,000	2.00%	106,660	4.65%	103,036	3,964	5.29%	466	0.29
Mar-25	111,000	2.63%	110,424	4.50%	107,412	3,588	5.21%	476	0.40
Apr-25	108,000	2.88%	107,174	4.47%	104,720	3,280	5.19%	461	0.49
May-25	77,000	2.13%	76,807	4.47%	74,097	2,903	5.10%	322	0.52
Jun-25	77,000	2.75%	76,923	4.34%	74,552	2,448	5.04%	318	0.65
Jul-25	70,000	0.25%	67,937	4.39%	65,130	4,870	5.01%	281	0.74
Aug-25	78,000	2.00%	76,895	4.40%	74,471	3,529	5.00%	317	0.77
Sep-25	73,000	3.00%	72,323	4.35%	70,642	2,358	4.96%	296	0.89
Oct-25	70,000	0.25%	67,238	4.34%	64,413	5,587	4.93%	274	0.98
Nov-25	52,000	0.38%	49,931	4.34%	48,275	3,725	4.73%	195	1.05
Dec-25	46,000	4.00%	46,552	4.30%	45,405	595	4.72%	179	1.07
Jan-26	57,000	0.38%	54,386	4.27%	52,573	4,427	4.68%	210	1.22
Feb-26	57,000	2.50%	55,979	4.24%	54,674	2,326	4.65%	214	1.28
Mar-26	57,000	2.25%	55,579	4.24%	54,336	2,664	4.62%	212	1.37
Apr-26	56,000	2.38%	54,527	4.21%	53,423	2,577	4.61%	207	1.45
May-26	38,000	1.63%	36,835	4.22%	36,112	1,888	4.32%	131	1.48
Jun-26	38,000	1.88%	36,843	4.20%	36,211	1,789	4.28%	130	1.60
Jul-26	35,000	1.88%	33,810	4.20%	33,301	1,699	4.26%	119	1.69
Aug-26	38,000	1.50%	36,388	4.18%	35,862	2,138	4.23%	127	1.73
Sep-26	34,000	1.63%	32,488	4.15%	32,097	1,903	4.19%	113	1.85
Oct-26	34,000	1.13%	32,038	4.17%	31,655	2,345	4.20%	112	1.94
Nov-26	21,000	2.00%	20,323	4.14%	20,201	799	3.92%	35	1.95
Dec-26	18,000	1.75%	17,225	4.14%	17,193	807	3.89%	30	2.07
Jan-27	20,000	1.50%	18,952	4.15%	18,956	1,044	3.90%	33	2.16
Feb-27	20,000	1.88%	19,067	4.15%	19,093	907	3.89%	33	2.23
Mar-27	21,000	0.63%	19,336	4.13%	19,414	1,586	3.88%	33	2.34
Apr-27	21,000	0.50%	19,204	4.14%	19,298	1,702	3.88%	33	2.43
Total Investments	\$ 1,916,444	1.58%	\$ 1,884,131	4.44%	\$ 1,837,726	\$ 78,718	4.85%	\$ 7,428	0.81

Note: Schedule may not foot due to rounding.



Electric Reliability Council of Texas, Inc.
Investment Income as of
October 31, 2024
(\$ in 000's)

	<u>2024</u>	<u>2025</u>	<u>2026</u>
U.S. Treasury Obligation Portfolio			
Recognized - Investment Income	\$ 74,213	\$ -	\$ -
Unrealized - Investment Income (FMV Adjustment)	(4,181)	-	-
Unrecognized - Investment Income	12,982	45,919	12,218
Total U.S. Treasury Obligation Portfolio	<u>83,013</u>	<u>45,919</u>	<u>12,218</u>
Money Market Mutual Funds (MMMF)			
Recognized - Investment Income	26,725	-	-
Total MMMF	<u>26,725</u>	<u>-</u>	<u>-</u>
Total Investment Income	<u>\$ 109,738</u>	<u>\$ 45,919</u>	<u>\$ 12,218</u>
 Interest Income Per Approved Budget	 \$ 49,750	 \$ 39,750	 \$ 39,750

Note: Schedule may not foot due to rounding.