



Item 8.2: Periodic Report on Investments

Leslie Swanson
Treasurer and Controller

Finance and Audit Committee Meeting

ERCOT Public
February 3, 2025

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 October yields reported at the prior F&A meeting. As of the end of December 2024, ERCOT's MMMF yields equaled approximately 4.35% and the purchase yield of ERCOT's U.S. Treasury Obligation Portfolio equaled approximately 4.74%
 - ERCOT is in compliance with all investment requirements for December

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 December

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
December 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 | \$ 547,411 | \$ - | N/A | \$ 1,993 |
| ERCOT, Inc. Restricted (Collateral) | 2,226,035 | - | N/A | 7,005 |
| Total ERCOT, Inc. MMMF | <u>\$ 2,773,446</u> | <u>\$ -</u> | 4.35% | <u>\$ 8,998</u> |
| | | | | |
| Texas Electric Market Stabilization Funding M, LLC | \$ 18,779 | \$ 17,927 | 4.34% | \$ 133 |
| Texas Electric Market Stabilization Funding N, LLC | \$ 3,208 | \$ 72,002 | 4.36% | \$ 262 |

| U.S. Treasury Obligation Portfolio | Purchase Price | Duration | Purchase Yield | Monthly Investment Income |
|---|-----------------------|-----------------|---------------------------|--------------------------------------|
| ERCOT, Inc. Unrestricted | \$ 1,840,320 | 0.73 | 4.74% | \$ 7,153 |

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)
December 31, 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) | \$ - | \$ 177,020 | \$ 177,020 | 6.38% | 4.22% | \$ - | \$ 637 | \$ 637 |
| Allspring Treasury Plus Money Market Fund (Institutional) | 100 | 73,458 | 73,558 | 2.65% | 4.33% | 0 | 115 | 115 |
| BlackRock Institutional T-Fund (60) MMF | 710 | 257,121 | 257,831 | 9.30% | 4.34% | 3 | 788 | 791 |
| BlackRock Institutional Treasury Trust Fund MMF | 50 | 516 | 566 | 0.02% | 4.32% | 0 | 2 | 2 |
| Dreyfus Treasury Prime Cash Management MMF | 400 | 242,685 | 243,085 | 8.76% | 4.32% | 1 | 703 | 705 |
| Federated Fund 0125 US Treasury Cash Reserves Fund | 300 | 673 | 973 | 0.04% | 4.30% | 1 | 3 | 4 |
| Federated Fund 068 Treasury Obligations Fund | 700 | 251,920 | 252,620 | 9.11% | 4.35% | 3 | 754 | 757 |
| Fidelity 680 Institutional MMF: Treasury Only Portfolio | 500 | 100,840 | 101,340 | 3.65% | 4.36% | 2 | 381 | 382 |
| Fidelity Investments Money Market Treasury Portfolio (Class I) | 2,400 | 132,560 | 134,960 | 4.87% | 4.38% | 127 | 249 | 377 |
| First Amer Treas Oblig/CI Z | 50 | 100,702 | 100,752 | 3.63% | 4.35% | 0 | 182 | 182 |
| Goldman Sachs Treasury Instruments Fund 506 | 800 | 216,747 | 217,547 | 7.84% | 4.33% | 3 | 715 | 718 |
| Invesco Institutional Treasury Portfolio | 178 | 206,076 | 206,254 | 7.44% | 4.37% | 1 | 767 | 768 |
| JPMorgan U.S. Treasury Plus Money Market Fund (Institutional) | 127,128 | 17,600 | 144,728 | 5.22% | 4.38% | 491 | 176 | 667 |
| Morgan Stanley Fund 8304 Treasury | 690 | 242,442 | 243,132 | 8.77% | 4.35% | 8 | 749 | 756 |
| State Street Global Advisors Institutional Treasury MMF | 194,200 | 614 | 194,814 | 7.02% | 4.39% | 678 | 2 | 681 |
| UBS Select Treasury Preferred Fund 46 | 218,705 | 597 | 219,302 | 7.91% | 4.40% | 673 | 17 | 690 |
| Western Asset Institutional US Treasury Reserves | 500 | 204,466 | 204,966 | 7.39% | 4.33% | 2 | 765 | 767 |
| Total MMMF | \$ 547,411 | \$ 2,226,035 | \$ 2,773,446 | 100.00% | 4.35% | \$ 1,993 | \$ 7,005 | \$ 8,998 |

Note: Schedule may not foot due to rounding.



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

December 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) | \$ 4,083 | 4.34% | \$ 15 |
| | 4,083 | 4.34% | 15 |
| Escrow (Collateral) | | | |
| BlackRock Liquidity Funds: T-Fund | 3,512 | 4.34% | 13 |
| Invesco Treasury Portfolio | 3,691 | 4.33% | 14 |
| Morgan Stanley Institutional Liquidity Funds: Treasury Portfolio | 3,744 | 4.35% | 14 |
| UBS Select Treasury Preferred Fund | 3,749 | 4.37% | 14 |
| Total Escrow (Collateral) MMMF | 14,696 | 4.35% | 55 |
| Total MMMF held at ERCOT, Inc. | 18,779 | 4.35% | 71 |
| MMMF held at Trustee | | | |
| Debt Service | | | |
| First Am Treas Ob Fund | 10,151 | 4.33% | 33 |
| Invesco Treasury Portfolio/Instit | 805 | 4.36% | 3 |
| Total Debt Service MMMF | 10,955 | 4.35% | 36 |
| Debt Service Reserve | | | |
| Allspring Treasury Plus Money Market Fund (Institutional) | 4,084 | 4.32% | 15 |
| JPMorgan TR I 100 US TR Cap | 2,887 | 4.35% | 11 |
| Total Debt Service Reserve MMMF | 6,972 | 4.34% | 26 |
| Total MMMF held at Trustee | 17,927 | 4.33% | 62 |
| Total TEMSFM MMMF | \$ 36,706 | 4.34% | \$ 133 |

Note: Schedule may not foot due to rounding.



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

December 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 | \$ 1,604 | 4.34% | \$ 6 |
| Morgan Stanley Institutional Liquidity Funds: Treasury Portfolio | 1,604 | 4.35% | 6 |
| Total MMMF held at ERCOT, Inc. | 3,208 | 4.35% | 12 |
| MMMF held at Trustee | | | |
| Debt Service | | | |
| Invesco Treasury Portfolio Institutional | 59,897 | 4.36% | 204 |
| First Am Treas Ob Fund | 1,305 | 4.33% | 5 |
| Total Debt Service MMMF | 61,202 | 4.36% | 209 |
| Capital | | | |
| JPMorgan TR I 100 US TR Cap | 10,800 | 4.35% | 41 |
| Total Capital MMMF | 10,800 | 4.35% | 41 |
| Total MMMF held at Trustee | 72,002 | 4.36% | 250 |
| Total TEMSFN MMMF | \$ 75,210 | 4.36% | \$ 262 |

Note: Schedule may not foot due to rounding.



Electric Reliability Council of Texas, Inc.
Summary of U.S. Treasury Obligation Portfolio Results
December 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 | 125,599 | 0.00% | 125,599 | 4.33% | 125,599 | - | 4.33% | 454 | 0.15 |
| Jan-25 | 130,000 | 1.38% | 130,443 | 4.42% | 125,432 | 4,568 | 5.12% | 552 | 0.08 |
| Feb-25 | 131,000 | 1.63% | 131,346 | 4.40% | 126,761 | 4,239 | 5.14% | 557 | 0.13 |
| Mar-25 | 135,000 | 2.16% | 135,099 | 4.26% | 131,081 | 3,919 | 5.08% | 566 | 0.24 |
| Apr-25 | 133,000 | 2.88% | 133,035 | 4.34% | 129,556 | 3,444 | 5.04% | 554 | 0.32 |
| May-25 | 104,000 | 2.13% | 103,473 | 4.29% | 100,853 | 3,147 | 4.89% | 381 | 0.36 |
| Jun-25 | 104,000 | 2.75% | 103,262 | 4.23% | 101,336 | 2,664 | 4.82% | 374 | 0.49 |
| Jul-25 | 92,000 | 0.25% | 90,004 | 4.26% | 86,581 | 5,419 | 4.83% | 330 | 0.57 |
| Aug-25 | 105,000 | 2.00% | 104,336 | 4.28% | 101,064 | 3,936 | 4.81% | 375 | 0.61 |
| Sep-25 | 99,000 | 3.00% | 98,857 | 4.26% | 96,389 | 2,611 | 4.77% | 352 | 0.73 |
| Oct-25 | 94,000 | 0.25% | 91,011 | 4.25% | 87,588 | 6,412 | 4.75% | 325 | 0.82 |
| Nov-25 | 52,000 | 0.38% | 50,231 | 4.26% | 48,275 | 3,725 | 4.73% | 197 | 0.90 |
| Dec-25 | 46,000 | 4.00% | 46,008 | 4.19% | 45,405 | 595 | 4.72% | 180 | 0.93 |
| Jan-26 | 57,000 | 0.38% | 54,782 | 4.25% | 52,573 | 4,427 | 4.68% | 212 | 1.06 |
| Feb-26 | 57,000 | 2.50% | 56,365 | 4.26% | 54,674 | 2,326 | 4.65% | 215 | 1.12 |
| Mar-26 | 57,000 | 2.25% | 55,951 | 4.27% | 54,336 | 2,664 | 4.62% | 213 | 1.20 |
| Apr-26 | 56,000 | 2.38% | 54,871 | 4.26% | 53,423 | 2,577 | 4.61% | 209 | 1.28 |
| May-26 | 38,000 | 1.63% | 36,757 | 4.27% | 36,112 | 1,888 | 4.32% | 132 | 1.33 |
| Jun-26 | 38,000 | 1.88% | 36,712 | 4.24% | 36,211 | 1,789 | 4.28% | 130 | 1.45 |
| Jul-26 | 35,000 | 1.88% | 34,020 | 4.25% | 33,301 | 1,699 | 4.26% | 120 | 1.52 |
| Aug-26 | 38,000 | 1.50% | 36,592 | 4.26% | 35,862 | 2,138 | 4.23% | 128 | 1.57 |
| Sep-26 | 34,000 | 1.63% | 32,656 | 4.25% | 32,097 | 1,903 | 4.19% | 114 | 1.69 |
| Oct-26 | 34,000 | 1.13% | 32,207 | 4.26% | 31,655 | 2,345 | 4.20% | 112 | 1.78 |
| Nov-26 | 21,000 | 2.00% | 20,209 | 4.27% | 20,201 | 799 | 3.92% | 66 | 1.81 |
| Dec-26 | 18,000 | 1.75% | 17,152 | 4.24% | 17,193 | 807 | 3.89% | 55 | 1.93 |
| Jan-27 | 20,000 | 1.50% | 19,040 | 4.26% | 18,956 | 1,044 | 3.90% | 62 | 2.00 |
| Feb-27 | 20,000 | 1.88% | 19,153 | 4.26% | 19,093 | 907 | 3.89% | 62 | 2.07 |
| Mar-27 | 21,000 | 0.63% | 19,422 | 4.25% | 19,414 | 1,586 | 3.88% | 63 | 2.18 |
| Apr-27 | 21,000 | 0.50% | 19,281 | 4.27% | 19,298 | 1,702 | 3.88% | 63 | 2.27 |
| Total Investments | \$ 1,915,599 | 1.71% | \$ 1,887,873 | 4.29% | \$ 1,840,320 | \$ 75,279 | 4.74% | \$ 7,153 | 0.73 |

Note: Schedule may not foot due to rounding.



Interest Forecast

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

| | 2024 | 2025 | 2026 |
|---|-------------------|------------------|------------------|
| U.S. Treasury Obligation Portfolio | | | |
| Recognized - Investment Income | \$ 87,695 | \$ - | \$ - |
| Unrealized - Investment Income (FMV Adjustment) | (5,344) | - | - |
| Unrecognized - Investment Income | - | 50,702 | 12,218 |
| Total U.S. Treasury Obligation Portfolio | 82,351 | 50,702 | 12,218 |
| Money Market Mutual Funds (MMMF) | | | |
| Recognized - Investment Income | 31,866 | - | - |
| Total MMMF | 31,866 | - | - |
| Total Investment Income | \$ 114,217 | \$ 50,702 | \$ 12,218 |
| Interest Income Per Approved Budget | \$ 49,750 | \$ 39,750 | \$ 39,750 |

Note: Schedule may not foot due to rounding.