



Item 5.1: Review 2025 Financial Summary

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

Finance and Audit Committee Meeting

ERCOT Public

April 7, 2025

Overview

- **Purpose**
 - To provide the Finance and Audit (F&A) Committee an overview of ERCOT's financial performance as of February 28, 2025
- **Voting Items / Requests**
 - No action is requested of the F&A Committee or Board; for discussion only

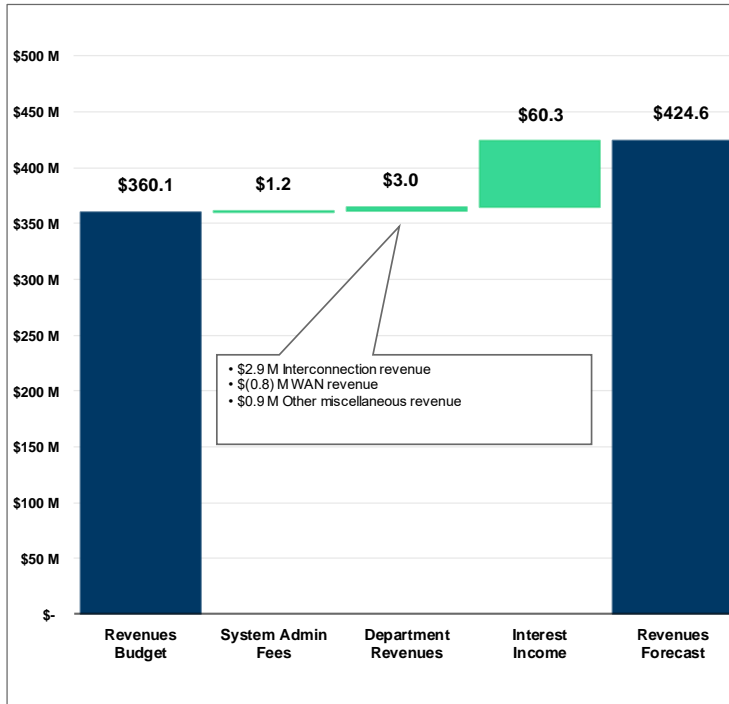
Key Takeaways:

- ERCOT's year-to-date February 2025 actual revenues net of expenditures were \$20.1 million favorable to budget, driven by interest income being favorable by \$12.2 million and by project expenditures being favorable by \$1.4 million
- ERCOT's year-end 2025 forecasted revenues net of expenditures are \$76.4 million favorable to budget, driven by interest income forecasted to be favorable by \$60.3 million, legal services to be favorable by \$7.0 million, and by staffing management to be favorable by \$3.3 million
- ERCOT had \$158.0 million of operating funds as of February 28, 2025, compared to \$71.6 million of operating funds as of February 29, 2024

Review 2025 Financial Summary: 2025 Variance to Budget (\$ in Millions)

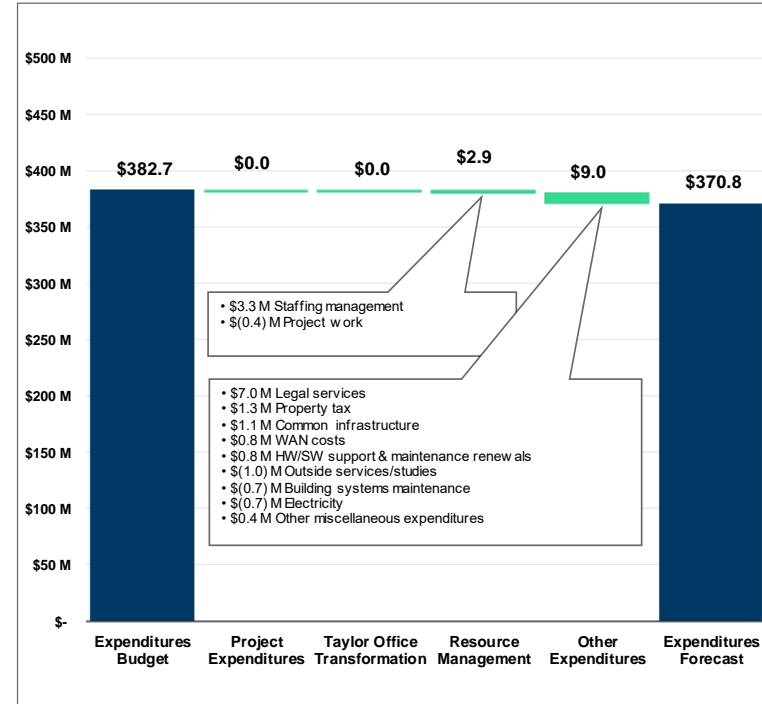
Net Available Year-End Forecast Variance to Budget = \$76.4 M

Revenues Year-End Forecast
Variance to Budget = \$64.5 M [17.9%]



Charts may not foot due to rounding

Expenditures Year-End Forecast
Variance to Budget = \$11.9 M [3.1%]

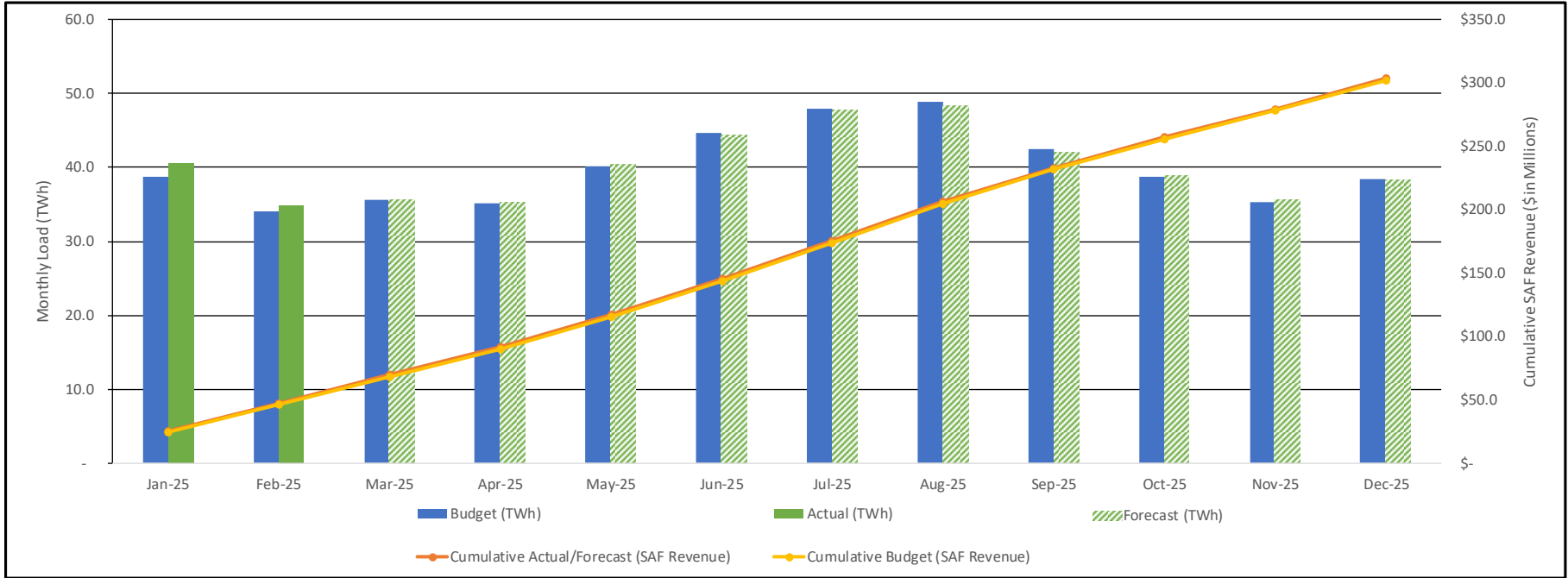


Key Takeaway: The forecasted year-end 2025 results are a net available amount of \$53.8 M versus a budgeted amount of \$(22.5) M, a \$76.4 M favorable variance

Review 2025 Financial Summary:

2025 Budget versus Actual:

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



Load (TWh):	FY 2024	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	FY 2025
Budget	465.0	38.7	34.1	35.6	35.1	40.1	44.7	48.0	48.9	42.5	38.7	35.3	38.4	480.0
Actual/Forecast	463.1	40.6	34.8	35.7	35.3	40.4	44.3	47.8	48.4	42.0	38.9	35.6	38.2	482.0
Variance	(1.9)	1.9	0.7	0.1	0.2	0.3	(0.3)	(0.2)	(0.4)	(0.4)	0.1	0.3	(0.2)	2.0
Variance (%)	-0.4%	4.8%	1.9%	0.2%	0.5%	0.8%	-0.7%	-0.4%	-0.9%	-1.0%	0.4%	0.8%	-0.4%	0.4%

SAF Revenue (\$ in Millions):	FY 2024	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	FY 2025
Cumulative Budget	\$ 292.9	\$ 24.4	\$ 45.9	\$ 68.3	\$ 90.4	\$ 115.7	\$ 143.8	\$ 174.0	\$ 204.8	\$ 231.6	\$ 256.0	\$ 278.2	\$ 302.4	\$ 302.4
Cumulative Actual/Forecast	\$ 291.8	\$ 25.6	\$ 47.5	\$ 70.0	\$ 92.2	\$ 117.6	\$ 145.6	\$ 175.6	\$ 206.2	\$ 232.6	\$ 257.1	\$ 279.6	\$ 303.6	\$ 303.6
Cumulative Variance	\$ (1.2)	\$ 1.2	\$ 1.6	\$ 1.6	\$ 1.7	\$ 1.9	\$ 1.7	\$ 1.6	\$ 1.3	\$ 1.1	\$ 1.2	\$ 1.3	\$ 1.2	\$ 1.2
Cumulative Variance (%)	-0.4%	4.8%	3.5%	2.4%	1.9%	1.7%	1.2%	0.9%	0.7%	0.5%	0.5%	0.5%	0.4%	0.4%



Review 2025 Financial Summary: ERCOT Statements of Financial Position

As of February 28 and February 29
Dollars in Millions

	ERCOT		Texas Electric Market Stabilization Funding M (TEMSFM)		Texas Electric Market Stabilization Funding N (TEMSFN)	
	2025	2024	2025	2024	2025	2024
Assets						
Unrestricted cash	\$ 711.1	\$ 569.2	\$ 4.0	\$ 4.0	\$ -	\$ -
Bond Investments	1,732.1	1,720.0	-	-	-	-
Total unrestricted cash and bond investments	2,443.2	2,289.2	4.0	4.0	-	-
Restricted cash and interest receivable	1,791.8	1,413.6	27.4	24.0	28.5	28.8
Other current assets	64.2	60.8	7.1	10.2	45.9	44.2
Long-term investment in subsidiary	14.6	14.6	-	-	-	-
Other long-term assets	193.0	183.1	373.6	380.6	1,954.3	1,999.2
Total assets	\$ 4,506.8	\$ 3,961.3	\$ 412.1	\$ 418.8	\$ 2,028.7	\$ 2,072.2
Liabilities and Net Assets						
CRR auction liabilities-current	\$ 1,363.2	\$ 1,323.0	\$ -	\$ -	\$ -	\$ -
CRR auction liabilities-long term	820.3	846.8	-	-	-	-
Other market liabilities	101.7	47.9	-	-	-	-
Total market settlement liabilities	2,285.2	2,217.7	-	-	-	-
Security deposits and interest payable	1,791.4	1,413.1	23.2	21.3	4.3	3.4
Other current liabilities	50.8	42.5	11.2	12.4	55.5	55.2
Other long-term liabilities	27.5	31.6	373.7	381.1	1,958.3	2,003.0
Net assets without donor restrictions	351.9	256.4	4.0	4.0	10.6	10.6
Total liabilities and net assets	\$ 4,506.8	\$ 3,961.3	\$ 412.1	\$ 418.8	\$ 2,028.7	\$ 2,072.2

Key Takeaways:

- ERCOT's net assets without donor restrictions increased \$95.5 M year-over-year, mainly driven by favorable interest income
- TEMSFM's other long-term liabilities decreased \$7.4 M year-over-year, driven by lower balance of long-term debt payable liabilities
- TEMSFN's other long-term liabilities decreased \$44.7 M year-over-year, driven by lower balance of long-term debt payable liabilities



Review 2025 Financial Summary: ERCOT Statements of Activities and Net Assets

For the Two Months Ended February
Dollars in Millions

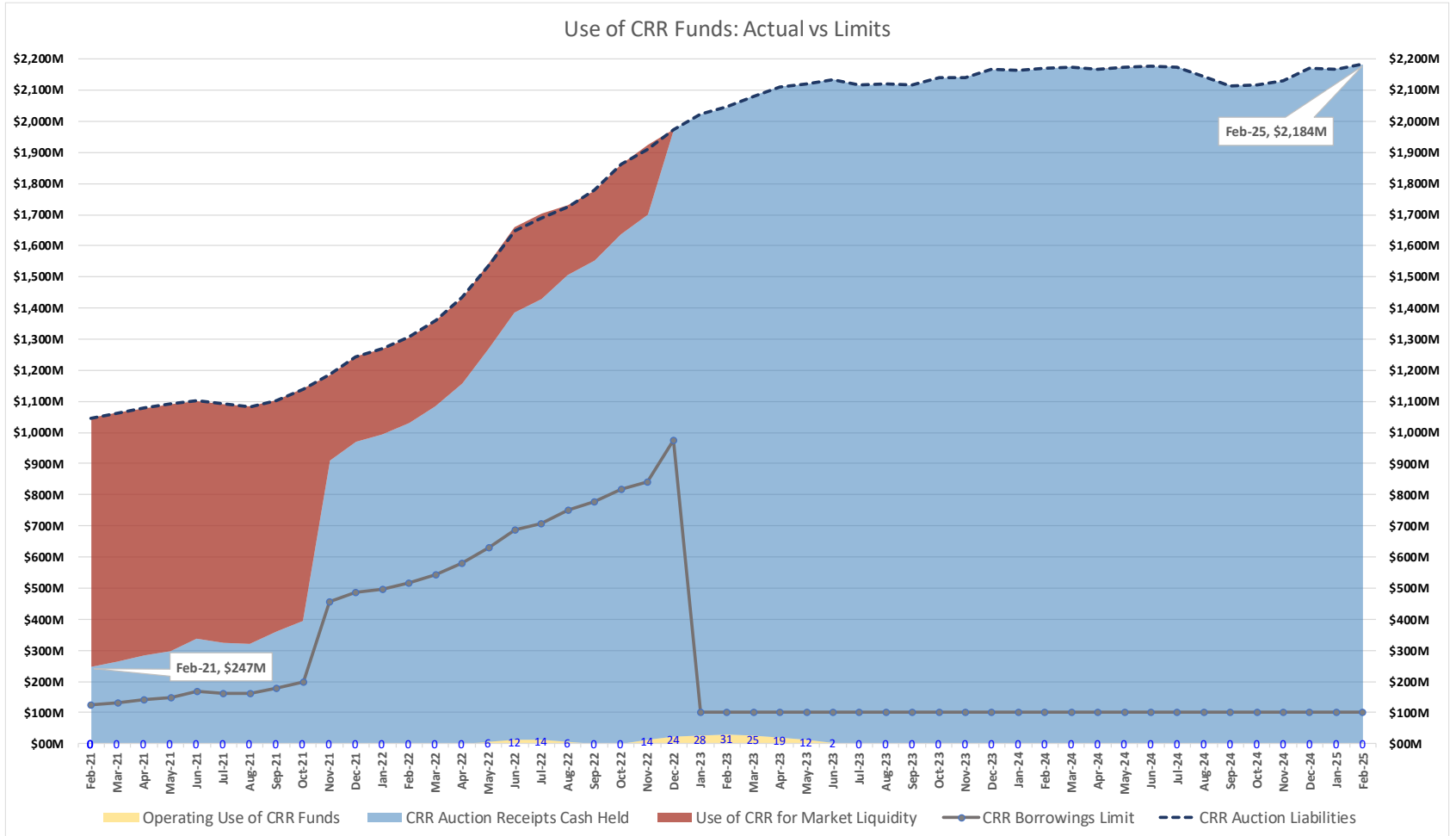
	ERCOT		Texas Electric Market Stabilization Funding M (TEMSFM)		Texas Electric Market Stabilization Funding N (TEMSFN)	
	2025	2024	2025	2024	2025	2024
Operating revenues	\$ 50.2	\$ 45.8	\$ 2.8	\$ 2.0	\$ 16.5	\$ 16.7
Operating expenses	60.8	54.6	0.1	0.2	0.2	0.2
(Loss) income from operations	(10.6)	(8.8)	2.7	1.8	16.3	16.5
Other income (expense)	18.6	14.8	(2.7)	(1.8)	(16.3)	(16.5)
Change in net assets without donor restrictions	8.0	6.0	-	-	-	-
Net assets without donor restrictions, beginning of year	343.9	250.4	4.0	4.0	10.6	10.6
Net assets without donor restrictions, end of period	\$ 351.9	\$ 256.4	\$ 4.0	\$ 4.0	\$ 10.6	\$ 10.6

Key Takeaways: ERCOT's year-over-year change in net assets without donor restrictions (equity) increased by \$2.0 M:

- \$4.4 M increase in operating revenues, driven by
 - \$4.0 M (9%) increase in system admin fee revenue
- \$6.2 M increase in operating expenses, driven by
 - \$3.2 M (9%) increase in salaries and related benefits expense
 - \$2.1 M (34%) increase in depreciation expense
 - \$0.3 M (20%) increase in facility and equipment expense
 - \$0.3 M (4%) increase in hardware and software maintenance expense
 - \$0.2 M (5%) increase in outside services expense
 - \$0.1 M (9%) increase in other expense
- \$3.8 M increase in other income (interest income)
 - \$2.5 M (12%) decrease in interest income
 - \$6.3 M (111%) increase in U.S. Treasury obligations fair value adjustment (\$0.6 M gain in 2025 vs \$5.7 M loss in 2024)



Review 2025 Financial Summary: Use of CRR Funds: Actual vs Limits



Key Takeaway: As of February 2025, Unrestricted Cash and Bond Investments exceeded Market Liabilities by \$158.0 M



Review 2025 Financial Summary:

Appendices

Electric Reliability Council of Texas, Inc.
2025 Financial Summary
As of March 19, 2025
(\$ in Millions)

Line	Year-to-Date (February 28)					Year-End (December 31)				
	2024		2025			2024		2025		
	Actual	Budget	Actual	Variance		Actual	Budget	Forecast	Variance	
			\$	%				\$	%	
1 System Administration Revenue	\$ 43.5	\$ 45.9	\$ 47.5	\$ 1.6	3.5	\$ 291.8	\$ 302.4	\$ 303.6	\$ 1.2	0.4
2 Department Net Expenditures										
3 Chief Information Office	22.6	25.8	23.8	1.9	7.6	141.1	154.1	152.1	2.0	1.3
4 Chief Operations Office	13.2	16.3	14.7	1.5	9.4	77.1	90.7	87.7	3.1	3.4
5 General Counsel	4.9	5.5	4.8	0.7	13.2	28.0	33.7	25.6	8.1	23.9
6 Chief Financial Office	3.7	4.0	3.9	0.1	1.7	22.3	24.5	23.2	1.3	5.1
7 Human Resources	1.2	2.1	1.4	0.6	29.4	8.6	13.3	12.5	0.7	5.5
8 Chief Executive Office	2.8	2.4	2.0	0.3	13.8	7.4	6.1	5.9	0.2	3.0
9 Project Funded Labor	(2.6)	(3.2)	(2.8)	(0.4)	(13.3)	(18.0)	(19.4)	(18.8)	(0.6)	(3.2)
10 Total Department Net Expenditures	45.6	52.7	48.0	4.8	9.1	266.4	302.9	288.3	14.7	4.8
11 Net Revenues After Department Expenditures	(2.1)	(6.8)	(0.5)	6.4	93.0	25.4	(0.5)	15.4	15.9	>1,000.0
12										
13 Less: Project Expenditures	4.3	8.4	7.0	1.4	16.9	57.2	50.2	50.2	-	0.0
14 Less: Taylor Office Transformation	-	0.1	0.0	0.1	89.8	0.0	10.4	10.4	-	0.0
15 Less: Interest Expense	0.2	0.2	0.2	0.0	1.3	1.3	1.2	1.0	0.2	16.7
16 Add: Interest Income	14.9	6.6	18.8	12.2	184.1	114.2	39.8	100.0	60.3	151.6
17										
18 Net Available	\$ 8.4	\$ (8.9)	\$ 11.2	\$ 20.1	225.6	\$ 81.0	\$ (22.5)	\$ 53.8	\$ 76.4	338.7

Note: Schedule may not foot due to rounding



Electric Reliability Council of Texas, Inc. 2025 Financial Summary Variance Explanations As of March 19, 2025		
Line	Year-to-Date (February 28)	Year-End (December 31)
1 System Administration Revenue	+\$5.8 M - Economy -\$4.2 M - Weather	+\$1.2 M - Based on current actuals and load forecast for remainder of year
3 Chief Information Office	+\$0.7 M - Common infrastructure +\$0.8 M - HW/SW support & maintenance renewals +\$0.2 M - HW/SW vendor support services [Resource Management - Project-Funded Work] -\$0.1 M - Outside services/studies <u>Timing Differences</u> +\$0.2 M - Building systems maintenance +\$0.2 M - HW/SW vendor support services [Resource Management - Project-Funded Work] +\$0.1 M - HW/SW support & maintenance renewals +\$0.1 M - Contingent labor [Resource Management - Staffing Management] +\$0.1 M - Employee training & business travel -\$0.4 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management]	+\$1.8 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$1.1 M - Common infrastructure +\$0.8 M - HW/SW support & maintenance renewals +\$0.8 M - WAN costs +\$0.2 M - HW/SW vendor support services [Resource Management - Project-Funded Work] +\$0.1 M - Telephone -\$0.8 M - WAN revenue -\$0.7 M - Electricity -\$0.7 M - Building systems maintenance -\$0.5 M - Outside services/studies -\$0.1 M - Other miscellaneous expenditures
4 Chief Operations Office	+\$0.4 M - Interconnection revenue +\$0.1 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.1 M - Employee training & business travel -\$0.1 M - Data service subscriptions <u>Timing Differences</u> +\$0.8 M - Outside services/studies +\$0.1 M - Operator training seminar revenue +\$0.1 M - Employee training & business travel	+\$2.9 M - Interconnection revenue +\$0.7 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.3 M - Inspection revenue +\$0.1 M - Employee training & business travel -\$0.6 M - Outside services/studies -\$0.3 M - Data service subscriptions
5 General Counsel	+\$0.5 M - Legal services +\$0.1 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.1 M - Registration fees revenue	+\$7.0 M - Legal services +\$0.6 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.4 M - Registration fees revenue +\$0.1 M - Membership dues revenue +\$0.1 M - Outside services/studies -\$0.1 M - Board member expense



Electric Reliability Council of Texas, Inc.
2025 Financial Summary Variance Explanations
As of March 19, 2025

Line	Year-to-Date (February 28)	Year-End (December 31)
6 Chief Financial Office	+\$0.2 M - Property tax -\$0.1 M - Outside services/studies +\$0.1 M - Other miscellaneous expenditures <u>Timing Differences</u> -\$0.1 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management]	+\$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 -\$0.7 M - Outside services/studies +\$0.1 M - Other miscellaneous expenditures
7 Human Resources	+\$0.2 M - Outside services/studies +\$0.1 M - Recruiting & pre-employment costs +\$0.1 M - Corporate events <u>Timing Differences</u> +\$0.1 M - Contingent labor [Resource Management - Staffing Management] +\$0.1 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management]	+\$0.7 M - Outside services/studies +\$0.3 M - Recruiting & pre-employment costs +\$0.2 M - Corporate events -\$0.4 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$0.1 M - Contingent labor [Resource Management - Staffing Management]
8 Chief Executive Office	+\$0.2 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] <u>Timing Differences</u> +\$0.1 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management]	+\$0.2 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management]
9 Project Funded Labor	-\$0.4 M - Multiple projects [Resource Management - Project-Funded Work]	-\$0.6 M - Multiple projects [Resource Management - Project-Funded Work]
13 Project Expenditures	<u>Timing Differences</u> +\$1.4 M - All projects	No material variance
14 Taylor Office Transformation	<u>Timing Differences</u> +\$0.1 M - Building and furniture improvements	No material variance
15 Interest Expense	No material variance	+\$0.2 M - Capitalized interest
16 Interest Income	+\$10.8 M - Interest rate +\$0.6 M - Fair value adjustment +\$0.8 M - Investment balance	+\$54.3 M - Interest rate +\$3.1 M - Fair value adjustment +\$2.9 M - Investment balance



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

Line	Project	Year-to-Date As of February 28, 2025		Year-End (YE) As of March 19, 2025		Life-to-Date As of February 28, 2025		Estimate-at-Completion (EAC) As of March 19, 2025			
		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	\$ 1.6	15%	\$ 10.7	21%	\$ 7.7	39%	\$ 19.8	15%	\$ 20.8	\$ 1.0
2	RTC-B Integration & Information	0.6	14%	4.3	9%	2.1	33%	6.3	5%	6.4	0.1
3	RTC-B Program Control	0.8	15%	5.0	10%	5.5	109%	5.1	4%	5.4	0.4
4	RTC-B Commercial Applications	0.1	12%	0.8	2%	1.2	56%	2.2	2%	2.3	0.1
5	Dispatchable Reliability Reserve Service (DRRS)	-	0%	-	0%	-	0%	3.5	3%	3.5	-
6	Subtotal - Market Design Projects	3.1	15%	20.8	42%	16.6	45%	37.0	29%	38.4	1.5
7	Second iTest Environment	0.0	1%	2.9	6%	8.8	70%	12.6	10%	12.6	-
8	Test Data Management	1.0	1292%	0.1	0%	8.1	106%	7.7	6%	7.7	-
9	Tertiary Fiber Path	0.0	0%	1.8	4%	-	0%	4.7	4%	4.7	-
10	NMMS IMM Schema upgrade to CIM 16	0.0	1%	2.3	5%	0.6	13%	4.4	3%	4.5	0.0
11	ServiceNow Change Management	0.2	12%	1.7	3%	0.6	14%	3.9	3%	3.9	-
12	Cloud Control - Cloud Governance and Controls Mapping	0.1	2%	3.6	7%	0.2	5%	3.7	3%	3.7	-
13	Microsoft SharePoint Migration – Phase 2	0.1	5%	1.3	3%	0.2	7%	3.3	3%	3.3	-
14	Treasury Single Source of Truth	0.0	1%	1.7	3%	0.1	5%	2.1	2%	2.1	-
15	Total Projects with EAC Over \$2.0M	4.5	12%	36.3	72%	35.2	44%	79.4	62%	80.9	1.5
16	Other Projects	2.2	16%	13.9	28%	31.2	63%	49.4	38%	49.9	0.4
17	Total Project Expenditures	\$ 6.7	13%	\$ 50.2	100%	\$ 66.4	52%	\$ 128.8	100%	\$ 130.8	\$ 1.9

Note: Schedule may not foot due to rounding



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
Statements of Financial Position
As of February 28, 2025 and February 29, 2024
(Dollars in Thousands)

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 711,104	\$ 569,239
Accounts receivable	11,123	10,455
Unbilled revenue	3,637	3,511
Interest receivable	16,447	16,199
Receivable from intercompany	748	349
Restricted cash and cash equivalents	1,785,982	1,407,632
Short-term investments	1,137,972	1,122,040
Prepaid expenses and other current assets	46,493	44,091
Total current assets	3,713,506	3,173,516
Long-term investments	600,338	604,671
Property and equipment, net	160,806	137,280
Systems under development	31,359	44,915
Other long term assets	797	868
Total assets	\$ 4,506,806	\$ 3,961,250
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 10,380	\$ 10,567
Accrued liabilities	30,098	23,735
Payable to intercompany	396	468
Deferred revenue	11,798	9,679
Market settlement liabilities	1,464,910	1,370,878
Security deposits	1,785,586	1,407,164
Debt payable, current portion	4,000	4,000
Total current liabilities	3,307,168	2,826,491
Long-term liabilities:		
Debt payable, less current portion:		
Principal	27,000	31,000
Less unamortized debt issuance costs	109	118
Debt payable less current portion and unamortized debt issuance costs	26,891	30,882
Long-term CRR liabilities	820,277	846,776
Other long-term liabilities	598	681
Total long-term liabilities	847,766	878,339
Total liabilities	4,154,934	3,704,830
Net assets without donor restrictions	351,872	256,420
Total liabilities and net assets	\$ 4,506,806	\$ 3,961,250



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
Statements of Activities and Changes in Net Assets
For the Two Months Ended February 28, 2025 and February 29, 2024
(Dollars in Thousands)

	2025	2024
Operating revenues		
System administration fees	\$ 47,476	\$ 43,526
Other services revenue	2,677	2,298
Total operating revenues	50,153	45,824
Operating expenses		
Salaries and related benefits	37,721	34,504
Facility and equipment costs	1,829	1,519
Outside services	3,958	3,781
Hardware and software maintenance and licensing	7,091	6,824
Depreciation	8,326	6,209
Other	1,894	1,737
Total operating expenses	60,819	54,574
Loss from operations	(10,666)	(8,750)
Other income (expense)		
Investment return, net	18,822	14,943
Interest expense	(205)	(170)
Non-operating (expense) income	(1)	1
Change in net assets without donor restrictions	7,950	6,024
Net assets without donor restrictions, beginning of year	343,922	250,396
Net assets without donor restrictions, end of period	\$ 351,872	\$ 256,420

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**Statements of Cash Flows****For the Two Months Ended February 28, 2025 and February 29, 2024**

(Dollars in Thousands)

	2025	2024
Operating activities:		
Change in net assets without donor restrictions	\$ 7,950	\$ 6,024
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:		
Depreciation/amortization of assets	8,326	6,209
Amortization of right-of-use assets	45	49
Amortization of debt issuance costs	2	3
Amortization of bond investment discount	(8,102)	(10,561)
Unrealized (gains) loss on bond investments	(619)	5,740
Net loss on capital assets	1	-
Changes in operating assets and liabilities:		
Accounts receivable	(5,582)	(4,812)
Unbilled revenue	3,088	4,020
Interest receivable	(991)	425
Receivable from intercompany	260	201
Prepaid expenses and other assets	(3,313)	(2,290)
Other long-term liabilities	(33)	(22)
Accounts payable	9,404	1,831
Accrued liabilities	(12,515)	(10,663)
Payable to intercompany	(729)	(254)
Deferred revenue	(251)	677
Security deposits	(440,762)	(120,767)
Market settlement liabilities	(44,311)	(34,810)
Long-term CRR liabilities	61,803	28,143
Net cash (used in) operating activities	<u>(426,329)</u>	<u>(130,857)</u>
Investing activities:		
Purchase of investments	(221,046)	(194,829)
Proceeds from investments	261,000	250,000
Capital expenditures for property and equipment and systems under development	(18,188)	(11,130)
Net cash provided by investing activities	<u>21,766</u>	<u>44,041</u>
Net (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	(404,563)	(86,816)
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year	<u>2,901,649</u>	<u>2,063,687</u>
Cash, cash equivalents, and restricted cash and cash equivalents, end of period	<u>\$ 2,497,086</u>	<u>\$ 1,976,871</u>



ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Financial Position
As of February 28, 2025
(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	\$ 711,104	\$ 4,015	\$ -	\$ -	\$ 715,119
Securitization charges receivable, current	-	7,061	45,572	-	52,633
Accounts receivable	11,123	-	-	-	11,123
Unbilled revenue	3,637	-	-	(138)	3,499
Interest receivable	16,447	99	72	-	16,618
Receivable from intercompany	748	-	396	(1,144)	-
Restricted cash and cash equivalents	1,785,982	27,277	28,361	-	1,841,620
Short-term investments	1,137,972	-	-	-	1,137,972
Prepaid expenses and other current assets	46,493	-	-	-	46,493
Total current assets	3,713,506	38,452	74,401	(1,282)	3,825,077
Long-term investments	600,338	-	-	(14,579)	585,759
Property and equipment, net	160,806	-	-	-	160,806
Systems under development	31,359	-	-	-	31,359
Securitization charges receivable, non current	-	373,601	1,954,341	-	2,327,942
Other long term assets	797	-	-	-	797
Total assets	\$ 4,506,806	\$ 412,053	\$ 2,028,742	\$ (15,861)	\$ 6,931,740
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	\$ 10,380	\$ -	\$ -	\$ -	\$ 10,380
Accrued liabilities	30,098	3,526	10,010	-	43,634
Payable to intercompany	396	716	170	(1,282)	-
Deferred revenue	11,798	-	-	-	11,798
Market settlement liabilities	1,464,910	-	-	-	1,464,910
Security deposits	1,785,586	23,086	4,246	-	1,812,918
Debt payable, current portion	4,000	7,026	45,417	-	56,443
Total current liabilities	3,307,168	34,354	59,843	(1,282)	3,400,083
Long-term liabilities:					
Debt payable, less current portion:					
Principal	27,000	376,251	1,969,993	-	2,373,244
Less unamortized discount and debt issuance costs	109	2,552	11,673	-	14,334
Debt payable less current portion and unamortized discount and debt issuance costs	26,891	373,699	1,958,320	-	2,358,910
Long-term CRR liabilities	820,277	-	-	-	820,277
Other long-term liabilities	598	-	-	-	598
Total long-term liabilities	847,766	373,699	1,958,320	-	3,179,785
Total liabilities	4,154,934	408,053	2,018,163	(1,282)	6,579,868
Net assets without donor restrictions	351,872	4,000	10,579	(14,579)	351,872
Total liabilities and net assets	\$ 4,506,806	\$ 412,053	\$ 2,028,742	\$ (15,861)	\$ 6,931,740



ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Activities and Changes in Net Assets
For the Two Months Ended February 28, 2025
(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	\$ 47,476	\$ -	\$ -	\$ -	\$ 47,476
Other services revenue	2,677	-	-	(276)	2,401
Securitization charges fees	-	2,788	16,458	-	19,246
Total operating revenues	50,153	2,788	16,458	(276)	69,123
Operating expenses					
Salaries and related benefits	37,721	-	-	-	37,721
Facility and equipment costs	1,829	-	-	-	1,829
Outside services	3,958	93	199	(276)	3,974
Hardware and software maintenance and licensing	7,091	-	-	-	7,091
Depreciation	8,326	-	-	-	8,326
Other	1,894	-	-	-	1,894
Total operating expenses	60,819	93	199	(276)	60,835
(Loss) income from operations	(10,666)	2,695	16,259	-	8,288
Other income (expense)					
Investment return, net	18,822	218	264	-	19,304
Interest expense	(205)	(2,913)	(16,523)	-	(19,641)
Non-operating expense	(1)	-	-	-	(1)
Change in net assets without donor restrictions	7,950	-	-	-	7,950
Net assets without donor restrictions, beginning of year	343,922	4,000	10,579	(14,579)	343,922
Net assets without donor restrictions, end of period	\$ 351,872	\$ 4,000	\$ 10,579	\$ (14,579)	\$ 351,872



ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Cash Flows
For the Two Months Ended February 28, 2025
(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	\$ 7,950	\$ -	\$ -	\$ -	\$ 7,950
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:					
Depreciation/amortization of assets	8,326	-	-	-	8,326
Amortization of right-of-use assets	45	-	-	-	45
Amortization of discount & debt issuance costs	2	13	124	-	139
Amortization of bond investment discount	(8,102)	-	-	-	(8,102)
Unrealized (gains) on bond investments	(619)	-	-	-	(619)
Net loss on capital assets	1	-	-	-	1
Changes in operating assets and liabilities:					
Securitization charges receivable	-	1,441	8,022	(729)	8,734
Accounts receivable	(5,582)	-	-	-	(5,582)
Unbilled revenue	3,088	-	-	(553)	2,535
Interest receivable	(991)	(44)	2	260	(773)
Receivable from intercompany	260	-	-	(260)	-
Prepaid expenses and other assets	(3,313)	-	-	-	(3,313)
Other long-term liabilities	(33)	-	-	-	(33)
Accounts payable	9,404	(4)	-	-	9,400
Accrued liabilities	(12,515)	(2,826)	(33,623)	-	(48,964)
Payable to intercompany	(729)	(167)	(386)	1,282	-
Deferred revenue	(251)	-	-	-	(251)
Security deposits	(440,762)	403	371	-	(439,988)
Market settlement liabilities	(44,311)	-	-	-	(44,311)
Long-term CRR liabilities	61,803	-	-	-	61,803
Net cash (used in) operating activities	(426,329)	(1,184)	(25,490)	-	(453,003)
Investing activities:					
Purchase of investments	(221,046)	-	-	-	(221,046)
Proceeds from investments	261,000	-	-	-	261,000
Capital expenditures for property and equipment and systems under development	(18,188)	-	-	-	(18,188)
Net cash provided by investing activities	21,766	-	-	-	21,766
Financing activities:					
Repayment of debt payable	-	(5,245)	(22,026)	-	(27,271)
Net cash (used in) operating activities	-	(5,245)	(22,026)	-	(27,271)
Net (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	(404,563)	(6,429)	(47,516)	-	(458,508)
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year	2,901,649	37,721	75,877	-	3,015,247
Cash, cash equivalents, and restricted cash and cash equivalents, end of period	\$ 2,497,086	\$ 31,292	\$ 28,361	\$ -	\$ 2,556,739



ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Financial Position
As of February 29, 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	\$ 569,239	\$ 4,018	\$ -	\$ -	\$ 573,257
Securitization charges receivable, current	-	10,112	43,758	-	53,870
Accounts receivable	10,455	-	-	-	10,455
Unbilled revenue	3,511	-	-	(138)	3,373
Interest receivable	16,199	109	94	-	16,402
Receivable from intercompany	349	-	468	(817)	-
Restricted cash and cash equivalents	1,407,632	23,933	28,669	-	1,460,234
Short-term investments	1,122,040	-	-	-	1,122,040
Prepaid expenses and other current assets	44,091	-	-	-	44,091
Total current assets	3,173,516	38,172	72,989	(955)	3,283,722
Long-term investments	604,671	-	-	(14,579)	590,092
Property and equipment, net	137,280	-	-	-	137,280
Systems under development	44,915	-	-	-	44,915
Securitization charges receivable, non current	-	380,603	1,999,165	-	2,379,768
Other long term assets	868	-	-	-	868
Total assets	\$ 3,961,250	\$ 418,775	\$ 2,072,154	\$ (15,534)	\$ 6,436,645
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	\$ 10,567	\$ 32	\$ 32	\$ -	\$ 10,631
Accrued liabilities	23,735	1,724	11,463	-	36,922
Payable to intercompany	468	299	188	(955)	-
Deferred revenue	9,679	-	-	-	9,679
Market settlement liabilities	1,370,878	-	-	-	1,370,878
Security deposits	1,407,164	21,197	3,294	-	1,431,655
Debt payable, current portion	4,000	10,412	43,609	-	58,021
Total current liabilities	2,826,491	33,664	58,586	(955)	2,917,786
Long-term liabilities:					
Debt payable, less current portion:					
Principal	31,000	383,278	2,015,409	-	2,429,687
Less unamortized discount and debt issuance costs	118	2,167	12,420	-	14,705
Debt payable less current portion and unamortized discount and debt issuance costs	30,882	381,111	2,002,989	-	2,414,982
Long-term CRR liabilities	846,776	-	-	-	846,776
Other long-term liabilities	681	-	-	-	681
Total long-term liabilities	878,339	381,111	2,002,989	-	3,262,439
Total liabilities	3,704,830	414,775	2,061,575	(955)	6,180,225
Net assets without donor restrictions	256,420	4,000	10,579	(14,579)	256,420
Total liabilities and net assets	\$ 3,961,250	\$ 418,775	\$ 2,072,154	\$ (15,534)	\$ 6,436,645



ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Activities and Changes in Net Assets
For the Two Month Ended February 29, 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	\$ 43,526	\$ -	\$ -	\$ -	\$ 43,526
Other services revenue	2,298	-	-	(276)	2,022
Securitization charges fees	-	2,001	16,706	-	18,707
Total operating revenues	45,824	2,001	16,706	(276)	64,255
Operating expenses					
Salaries and related benefits	34,504	-	-	-	34,504
Facility and equipment costs	1,519	-	-	-	1,519
Outside services	3,781	231	201	(276)	3,937
Hardware and software maintenance and licensing	6,824	-	-	-	6,824
Depreciation	6,209	-	-	-	6,209
Other	1,737	-	-	-	1,737
Total operating expenses	54,574	231	201	(276)	54,730
(Loss) income from operations	(8,750)	1,770	16,505	-	9,525
Other income (expense)					
Investment return, net	14,943	204	324	-	15,471
Interest expense	(170)	(1,974)	(16,829)	-	(18,973)
Non-operating income	1	-	-	-	1
Change in net assets without donor restrictions	6,024	-	-	-	6,024
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	\$ 256,420	\$ 4,000	\$ 10,579	\$ (14,579)	\$ 256,420



ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Cash Flows
For the Two Month Ended February 29, 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	\$ 6,024	\$ -	\$ -	\$ -	\$ 6,024
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:					
Depreciation/amortization of assets	6,209	-	-	-	6,209
Amortization of right-of-use assets	49	-	-	-	49
Amortization of debt issuance costs	3	14	124	-	141
Amortization of bond investment discount	(10,561)	-	-	-	(10,561)
Unrealized loss on bond investments	5,740	-	-	-	5,740
Changes in operating assets and liabilities:					
Securitization charges receivable	-	1,697	7,252	(254)	8,695
Accounts receivable	(4,812)	-	-	-	(4,812)
Unbilled revenue	4,020	-	-	(553)	3,467
Interest receivable	425	34	224	6	689
Receivable from intercompany	201	-	-	(201)	-
Prepaid expenses and other assets	(2,290)	-	-	-	(2,290)
Other long-term liabilities	(22)	-	-	-	(22)
Accounts payable	1,831	28	32	-	1,891
Accrued liabilities	(10,663)	(3,944)	(32,582)	-	(47,189)
Payable to intercompany	(254)	(234)	(577)	1,065	-
Deferred revenue	677	-	-	-	677
Security deposits	(120,767)	629	(38)	-	(120,176)
Market settlement liabilities	(34,810)	-	-	-	(34,810)
Long-term CRR liabilities	28,143	-	-	-	28,143
Net cash (used in) provided by operating activities	(130,857)	(1,776)	(25,565)	63	(158,135)
Investing activities:					
Purchase of investments	(194,829)	-	-	-	(194,829)
Proceeds from investments	250,000	-	-	-	250,000
Capital expenditures for property and equipment and systems under development	(11,130)	-	-	-	(11,130)
Net cash provided by investing activities	44,041	-	-	-	44,041
Financing activities:					
Repayment of debt payable	-	(5,092)	(21,150)	-	(26,242)
Payment of debt issuance costs	-	-	-	(63)	(63)
Net cash (used in) financing activities	-	(5,092)	(21,150)	(63)	(26,305)
Net (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	(86,816)	(6,868)	(46,715)	-	(140,399)
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	\$ 1,976,871	\$ 27,951	\$ 28,669	\$ -	\$ 2,033,491

