



Item 5.2: Financing and Debt Use Policy

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Finance & Audit Committee Meeting

ERCOT Public

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Financing and Debt Use Policy

- Policy evolution
 - Self-funding
 - Appropriate balance of debt-funding and self-funding
 - Self-fund no less than 40 percent of project expenditures
 - Matching of assets and liabilities
 - No specific objective to match debt repayment terms to the useful life of the asset acquired or constructed
 - Specific objective to match debt repayment terms to the useful life of the asset acquired or constructed
 - Variable rate debt
 - No specific limitation on the use of variable rate debt
 - Variable rate debt limited to a maximum of 40 percent of total debt