



Item 5.1: Review 2022 Financial Summary

Sean Taylor

Vice President and Chief Financial Officer

Finance and Audit Committee Meeting

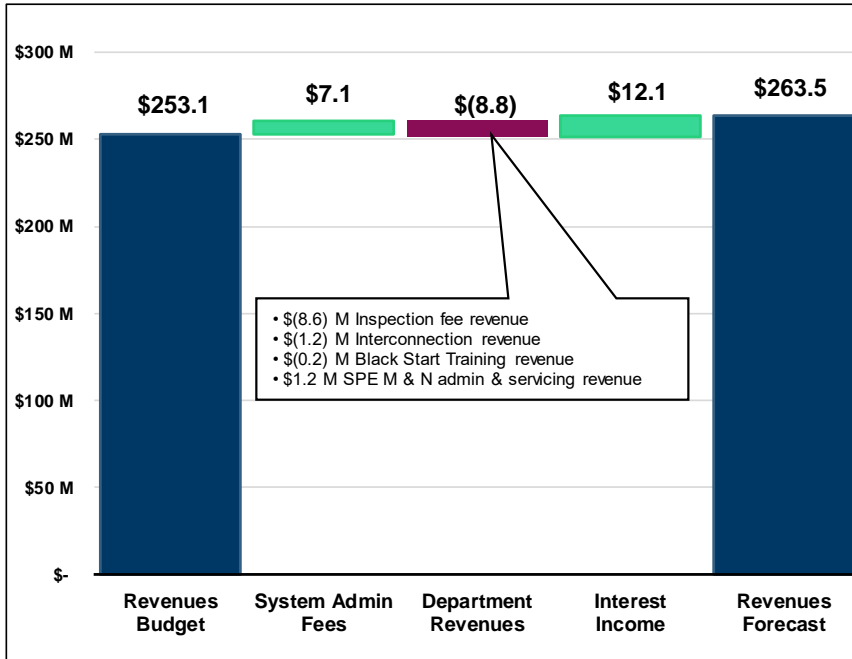
ERCOT Public

August 15, 2022

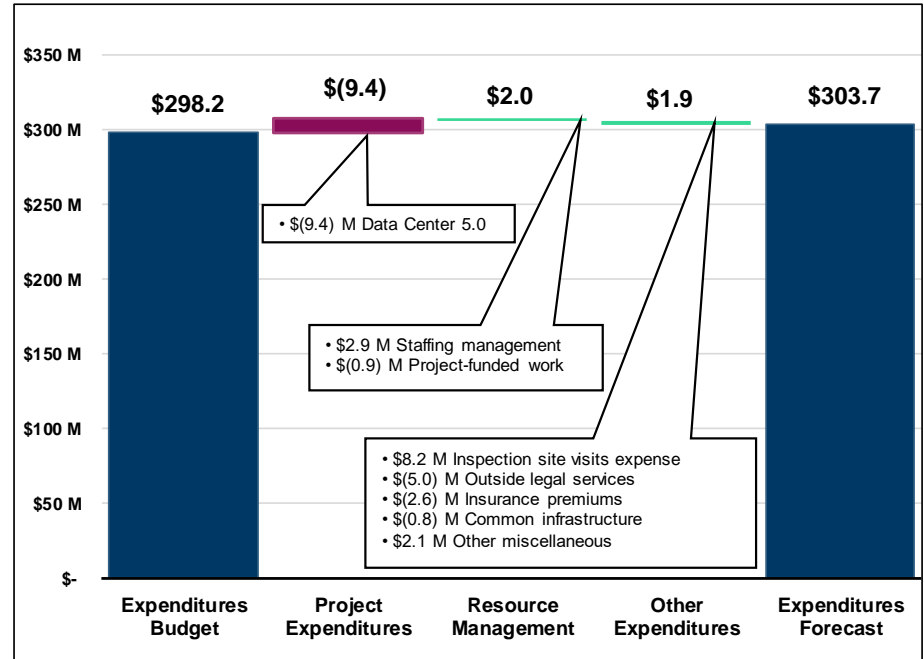
Review 2022 Financial Summary: 2022 Variance to Budget (\$ in Millions)

Net Available Year-End Forecast Variance to Budget = \$4.9 M

**Revenues Year-End Forecast
Variance to Budget = \$10.4 M [4.1%]**



**Expenditures Year-End Forecast
Variance to Budget = \$(5.5) M [-1.8%]**

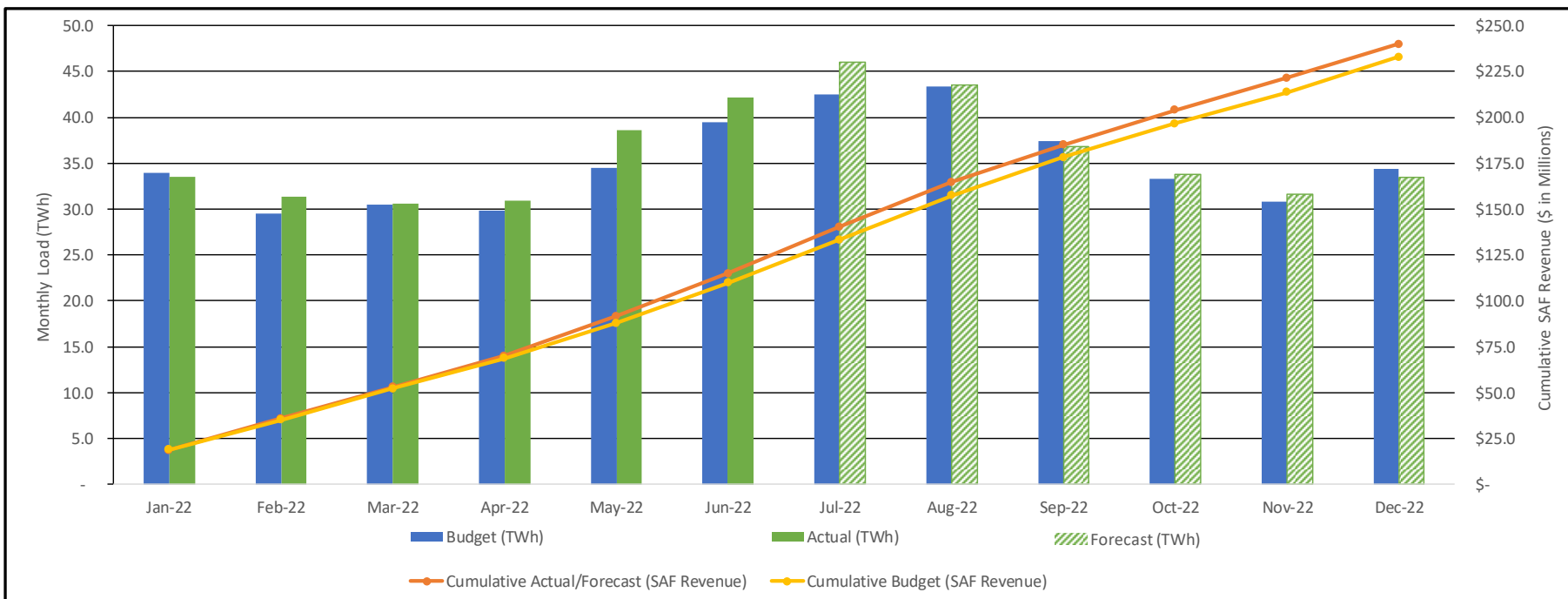


Charts may not foot due to rounding



Review 2022 Financial Summary:

2022 Budget versus Actual/Forecast: Monthly TWh Load and Cumulative System Administration Fee (SAF) Revenue



Load (TWh):	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
Budget	34.0	29.5	30.5	29.9	34.5	39.4	42.5	43.4	37.4	33.3	30.8	34.4	419.6
Actual/Forecast	33.5	31.4	30.6	30.9	38.6	42.1	46.1	43.5	36.8	33.8	31.7	33.5	432.5
Variance	(0.5)	1.9	0.0	1.0	4.1	2.7	3.6	0.1	(0.6)	0.4	0.9	(0.9)	12.9
Variance (%)	-1.3%	6.5%	0.1%	3.4%	12.0%	6.9%	8.5%	0.2%	-1.6%	1.2%	2.9%	-2.5%	3.1%

SAF Revenue (\$ in Millions):	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total
Cumulative Budget	\$ 18.9	\$ 35.2	\$ 52.2	\$ 68.8	\$ 87.9	\$ 109.8	\$ 133.4	\$ 157.4	\$ 178.2	\$ 196.7	\$ 213.8	\$ 232.9	\$ 232.9
Cumulative Actual/Forecast	\$ 18.6	\$ 36.0	\$ 53.0	\$ 70.2	\$ 91.6	\$ 115.0	\$ 140.5	\$ 164.7	\$ 185.1	\$ 203.9	\$ 221.4	\$ 240.0	\$ 240.0
Cumulative Variance	\$ (0.3)	\$ 0.8	\$ 0.8	\$ 1.4	\$ 3.7	\$ 5.2	\$ 7.2	\$ 7.3	\$ 6.9	\$ 7.1	\$ 7.6	\$ 7.1	\$ 7.1
Cumulative Variance (%)	-1.3%	2.3%	1.6%	2.0%	4.2%	4.7%	5.4%	4.6%	3.9%	3.6%	3.6%	3.1%	3.1%



Review 2022 Financial Summary: ERCOT Statements of Financial Position

As of June 30, 2022 and 2021 (\$ in Millions)

	<u>2022</u>	<u>2021</u>
Assets		
Unrestricted cash	\$ 1,544.7	\$ 452.5
Restricted cash	1,309.2	628.8
Other current assets	40.0	39.6
Long-term investment in subsidiary	14.6	-
Other long-term assets	158.6	151.1
Total assets	<u>\$ 3,067.1</u>	<u>\$ 1,272.0</u>
Liabilities and Net Assets		
CRR auction liabilities-current	\$ 989.9	\$ 674.9
CRR auction liabilities-long term	658.3	427.2
Other market liabilities	183.6	89.7
Use of CRR for market liquidity	(274.9)	(765.9)
Total market settlement liabilities	<u>1,556.9</u>	<u>425.9</u>
Security deposits	1,309.2	628.8
Other current liabilities	33.6	43.9
Other long-term liabilities	37.4	41.3
Net assets without donor restrictions	130.0	132.1
Total liabilities and net assets	<u>\$ 3,067.1</u>	<u>\$ 1,272.0</u>



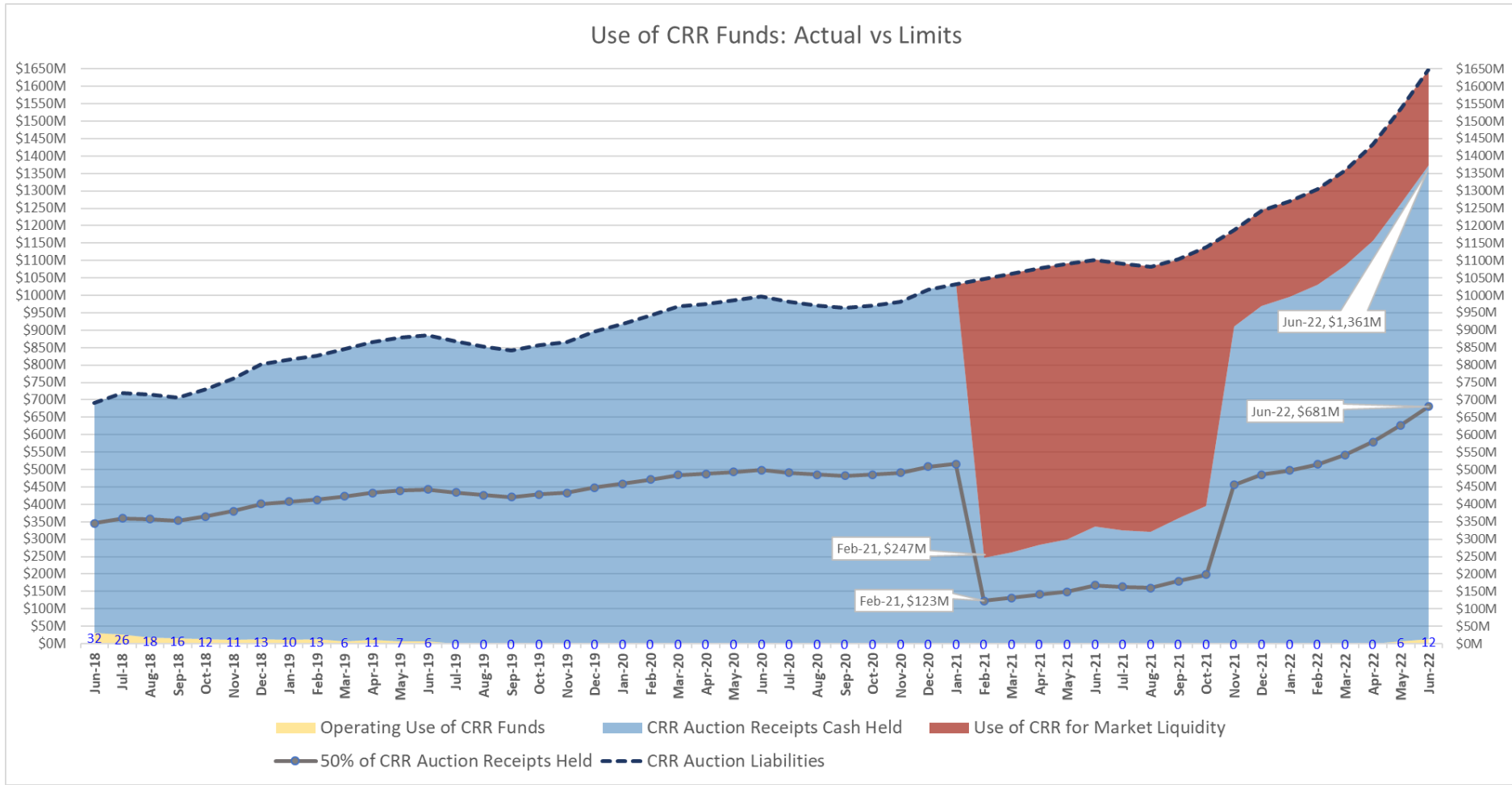
Review 2022 Financial Summary: ERCOT Statements of Activities and Net Assets

For the Six Months Ended June 30, 2022 and 2021 (\$ in Millions)

	<u>2022</u>		<u>2021</u>
Operating revenues	\$ 120.8	\$	107.5
Operating expenses	123.3		110.0
Loss from operations	(2.5)		(2.5)
Other income (expense)	2.0		(0.5)
Change in net assets without donor restrictions	(0.5)		(3.0)
Net assets without donor restrictions, beginning of year	130.5		135.1
Net assets without donor restrictions, end of period	\$ 130.0	\$	132.1



Review 2022 Financial Summary: Use of CRR Funds: Actual vs Limits



As of June 2022, Operating Use of CRR Funds is approximately \$12M.



Appendices

Electric Reliability Council of Texas, Inc. 2022 Financial Summary As of August 4, 2022 (\$ in Millions)	Year-to-Date (June 30)					Year End (December 31)					
	2021		2022			2021		2022			
	Line	Actual	Budget	Actual	Variance		Actual	Budget	Forecast	Variance	
					\$	%				\$	%
1	System Administration Revenue	\$ 102.5	\$ 109.8	\$ 115.0	\$ 5.2	4.7	\$ 218.3	\$ 232.9	\$ 240.0	\$ 7.1	3.1
2	Department Net Expenditures										
3	Chief Information Office	41.5	47.0	45.9	1.1	2.2	84.6	93.9	92.6	1.3	1.4
4	Chief Administrative Office	20.1	27.9	27.7	0.3	1.0	44.2	54.9	54.5	0.3	0.6
5	System Operations	10.6	11.9	11.4	0.5	4.1	21.4	23.9	23.2	0.7	2.9
6	Commercial Operations	8.2	8.3	8.2	0.1	1.3	16.5	16.6	16.7	(0.1)	(0.5)
7	System Planning & Weatherization	5.3	4.0	4.5	(0.5)	(11.8)	11.3	9.6	11.0	(1.4)	(14.8)
8	General Counsel	3.5	4.5	8.3	(3.8)	(85.0)	12.6	9.0	13.5	(4.5)	(49.6)
9	External Affairs & Corporate Communications	3.3	4.2	3.3	0.8	19.5	6.7	8.1	7.3	0.8	9.8
10	Chief Executive Office	1.1	1.1	0.9	0.2	18.6	2.2	2.7	3.0	(0.3)	(11.9)
11	Project Funded Labor	(5.4)	(6.7)	(5.5)	(1.2)	(18.2)	(10.6)	(13.4)	(12.2)	(1.2)	(9.0)
12	Total Department Net Expenditures	88.4	102.3	104.8	(2.6)	(2.5)	188.9	205.3	209.6	(4.3)	(2.1)
13	Net Revenues After Department Expenditures	14.2	7.5	10.2	2.6	34.9	29.4	27.6	30.4	2.8	10.2
14											
15	Less: Project Expenditures	17.7	28.0	15.1	12.9	46.1	30.8	56.0	65.4	(9.4)	(16.8)
16	Less: Met Center Replacement	0.2	15.2	15.4	(0.2)	(1.2)	4.8	15.2	15.4	(0.2)	(1.2)
17	Less: Interest Expense	0.7	0.6	0.6	(0.0)	(3.5)	1.3	1.4	1.8	(0.4)	(26.4)
18	Add: Interest Income	0.2	0.0	2.6	2.6	>100.0	0.2	0.0	12.1	12.1	>100.0
19											
20	Net Available	\$ (4.2)	\$ (36.3)	\$ (18.4)	\$ 17.9	49.4	\$ (7.2)	\$ (45.0)	\$ (40.1)	\$ 4.9	10.9
Note: Schedule may not foot due to rounding											

Electric Reliability Council of Texas, Inc. 2022 Financial Summary Variance Explanations As of August 4, 2022			
Line		Year-to-Date (June 30)	Year End (December 31)
1	System Administration Revenue	+\$3.2 M - Economy +\$2.0 M - Weather	+\$7.1 M - Based on current actuals and load forecast for remainder of year
3	Chief Information Office	+\$0.3 M - Higher-than-budgeted vacancy [Resource Management-Staffing Management] +\$0.5 M - HW/SW support and maintenance renewals +\$0.3 M - Professional services +\$0.3 M - HW/SW vendor support services [Resource Management-Project Work] +\$0.1 M - Employee training and business travel -\$0.8 M - Common infrastructure purchases <u>Timing Differences</u> +\$0.3 M - Professional services +\$0.2 M - HW/SW support and maintenance renewals +\$0.1 M - WAN costs +\$0.1 M - HW/SW vendor support services -\$0.3 M - Common infrastructure purchases -\$0.1 M - WAN revenues +\$0.1 M - Other miscellaneous	+\$0.9 M - Higher-than-budgeted vacancy [Resource Management-Staffing Management] +\$0.5 M - HW/SW support and maintenance renewals +\$0.3 M - Professional services +\$0.3 M - HW/SW vendor support services [Resource Management-Project Work] +\$0.1 M - Employee training and business travel -\$0.8 M - Common infrastructure purchases
4	Chief Administrative Office	+\$0.4 M - SPE M & N administration & servicing revenues +\$0.4 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.5 M - Office rent +\$0.4 M - Professional services +\$0.2 M - Property tax +\$0.2 M - Minor capital purchases +\$0.1 M - Employee training and business travel -\$2.5 M - Insurance premiums -\$0.2 M - Contingent labor [Resource Management - Staffing Management] <u>Timing Differences</u> +\$0.9 M - Professional services +\$0.4 M - Equipment and maintenance +\$0.3 M - Minor capital purchases -\$0.8 M - Insurance premiums	+\$1.2 M - SPE M & N administration & servicing revenues +\$0.7 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.5 M - Office rent +\$0.4 M - Professional services +\$0.4 M - Property tax +\$0.3 M - Minor capital purchases +\$0.1 M - Employee training and business travel -\$2.6 M - Insurance premiums -\$0.5 M - Contingent labor [Resource Management - Staffing Management] -\$0.1 M - Equipment and maintenance -\$0.1 M - Other miscellaneous

Electric Reliability Council of Texas, Inc. 2022 Financial Summary Variance Explanations As of August 4, 2022		
Line	Year-to-Date (June 30)	Year End (December 31)
5 System Operations	+ \$0.2 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] + \$0.2 M - Data service subscriptions + \$0.2 M - Employee training and business travel + \$0.1 M - Black Start Training expense + \$0.1 M - Consulting services - \$0.2 M - Research/studies - \$0.2 M - Black Start Training revenue <u>Timing Differences</u> + \$0.1 M - Consulting services	+ \$0.5 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] + \$0.3 M - Data service subscriptions + \$0.2 M - Employee training and business travel + \$0.1 M - Black Start Training expense + \$0.1 M - Consulting services - \$0.2 M - Research/studies - \$0.2 M - Black Start Training revenue - \$0.1 M - Other miscellaneous
6 Commercial Operations	+ \$0.2 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] - \$0.1 M - Consulting services - \$0.2 M - Data service subscription + \$0.1 M - Other miscellaneous <u>Timing Differences</u> + \$0.1 M - Professional services	+ \$0.5 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] - \$0.2 M - Consulting services - \$0.2 M - Professional services - \$0.2 M - Data service subscription - \$0.1 M - Contingent labor [Resource Management - Staffing Management] + \$0.1 M - Other miscellaneous
7 System Planning & Weatherization	- \$4.8 M - Inspection fee revenue - \$0.4 M - Interconnection revenue - \$0.3 M - Contingent labor [Resource Management - Staffing Management] + \$4.6 M - Inspection site visits expense + \$0.3 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] + \$0.1 M - Consulting services + \$0.1 M - Research/studies - \$0.1 M - Other miscellaneous <u>Timing Differences</u> + \$0.1 M - Research/studies - \$0.1 M - Employee training and business travel	- \$8.6 M - Inspection fee revenue - \$1.2 M - Interconnection revenue - \$0.5 M - Contingent labor [Resource Management - Staffing Management] + \$8.2 M - Inspection site visits expense + \$0.6 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] + \$0.1 M - Consulting services + \$0.1 M - Research/studies - \$0.1 M - Other miscellaneous
8 General Counsel	- \$4.1 M - Outside legal services + \$0.1 M - Board member expense + \$0.2 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management]	- \$5.0 M - Outside legal services + \$0.3 M - Board member expense + \$0.2 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management]
9 External Affairs & Corporate Communications	+ \$0.4 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] - \$0.1 M - Professional services <u>Timing Differences</u> + \$0.4 M - Professional services + \$0.1 M - Contingent labor [Resource Management - Staffing Management]	+ \$0.9 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] - \$0.2 M - Professional services + \$0.1 M - Other miscellaneous
10 Chief Executive Office	 <u>Timing Differences</u> + \$0.2 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management]	- \$0.3 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management]
11 Project Funded Labor	- \$1.2 M - Multiple projects [Resource Management - Project-Funded Work]	- \$1.2 M - Multiple projects [Resource Management - Project-Funded Work]
15 Project Expenditures	+ \$12.9 M - Multiple projects	- \$9.4 M - Data Center 5.0 program
16 Met Center Replacement	- \$0.2 M - Acceleration of building purchase	- \$0.2 M - Acceleration of building purchase
17 Interest Expense	- \$0.2 M - Capitalized interest <u>Timing Differences</u> + \$0.2 M - Interest and bank fees	- \$0.4 M - Capitalized interest
18 Interest Income	+ \$2.6 M - Higher interest rate	+ \$12.0 M - Higher interest rate + \$0.1 M - Higher investment balance

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

Line	Project	Year to Date As of June 30, 2022		Year End (YE) As of August 4, 2022		Life to Date As of June 30, 2022		Estimate at Completion (EAC) As of August 4, 2022			
		Actual	% of YE Forecast	YE Forecast	% of All Included Projects	Actual	% of EAC Forecast	EAC Forecast	% of All Included Projects	Budget	Variance
1	Data Center 5.0 (DC5) Program	\$ 7.4	21%	\$ 35.0	53%	\$ 13.9	22%	\$ 64.1	43%	\$ 59.5	\$ (4.6)
2	Energy Management System (EMS) Upgrade 2024	2.3	43%	5.4	8%	11.9	59%	20.0	13%	20.0	0.0
3	Resource Asset Registration Form (RARF) Replacement (RIOO)	1.1	52%	2.1	3%	12.7	90%	14.1	9%	14.0	(0.1)
4	Enterprise Content Alignment Program (ECAP)	0.6	39%	1.5	2%	6.9	85%	8.1	5%	8.1	0.0
5	Grid Geospatial (Grid Geo) Program	0.2	(361%)	(0.1)	0%	4.7	106%	4.5	3%	4.5	0.0
6	Delivery Tool Chain Modernization	0.3	100%	0.3	0%	3.3	100%	3.3	2%	3.4	0.1
7	NPRR863 Fast Frequency Response (FFR) Advancement	0.4	40%	1.0	2%	2.5	80%	3.2	2%	3.2	0.0
8	Microsoft SharePoint Migration	0.0	0%	0.7	1%	0.0	0%	2.4	2%	2.4	(0.0)
9	Treasury Management Risk Mitigation	0.0	1%	0.4	1%	0.0	0%	2.3	2%	2.3	0.0
10	Network Model Management System (NMMS) Tech Health	0.8	40%	2.1	3%	1.3	58%	2.2	1%	2.2	0.0
11	Total Projects with EAC Budget Over \$2.0M	13.2	27%	48.4	74%	57.1	46%	124.1	83%	119.5	(4.6)
12	Other Projects	1.9	11%	17.0	26%	11.6	44%	26.2	17%	29.4	3.2
13	Total Project Expenditures	\$ 15.1	23%	\$ 65.4	100%	\$ 68.7	46%	\$ 150.3	100%	\$ 148.9	\$ (1.4)

Note: Schedule may not foot due to rounding

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**Statements of Financial Position****As of June 30, 2022 and 2021**

(Dollars in Thousands)

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,544,734	\$ 452,524
Accounts receivable	4,842	5,334
Unbilled revenue	4,618	3,399
Restricted cash and cash equivalents	1,309,243	628,778
Prepaid expenses and other current assets	30,437	30,818
Total current assets	2,893,874	1,120,853
Long-term investments	14,579	-
Property and equipment, net	110,884	109,938
Systems under development	47,023	40,445
Other long term assets	698	788
Total assets	\$ 3,067,058	\$ 1,272,024
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 7,636	\$ 9,359
Accrued liabilities	21,788	18,051
Finance lease liabilities current	-	12,369
Deferred revenue	155	158
Market settlement liabilities	898,558	(1,362)
Security deposits	1,309,243	628,778
Debt payable, current portion	4,000	4,000
Total current liabilities	2,241,380	671,353
Long-term liabilities:		
Debt payable, less current portion:		
Principal	37,000	41,000
Less unamortized debt issuance costs	147	164
Debt payable less current portion and unamortized debt issuance costs	36,853	40,836
Long-term CRR liabilities	658,299	427,234
Other long-term liabilities	575	454
Total long-term liabilities	695,727	468,524
Total liabilities	2,937,107	1,139,877
Net assets without donor restrictions	129,951	132,147
Total liabilities and net assets	\$ 3,067,058	\$ 1,272,024

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
Statements of Activities and Net Assets
For the Six Months Ended June 30, 2022 and 2021
(Dollars in Thousands)

	2022	2021
Operating revenues		
System administration fees	\$ 114,989	\$ 102,528
Other services revenue	5,798	5,008
Total operating revenues	<u>120,787</u>	<u>107,536</u>
Operating expenses		
Salaries and related benefits	65,831	63,026
Facility and equipment costs	4,809	5,089
Outside services	12,289	7,993
Hardware and software maintenance and licensing	17,736	16,165
Depreciation	12,295	13,980
Other	10,314	3,755
Total operating expenses	<u>123,274</u>	<u>110,008</u>
Loss from operations	(2,487)	(2,472)
Other income (expense)		
Investment return, net	2,607	175
Interest expense	(644)	(681)
Non-operating income	-	1
Change in net assets without donor restrictions	<u>(524)</u>	<u>(2,977)</u>
Net assets without donor restrictions, beginning of year	<u>130,475</u>	<u>135,124</u>
Net assets without donor restrictions, end of period	<u>\$ 129,951</u>	<u>\$ 132,147</u>

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
Statements of Cash Flows
For the Six Months Ended June 30, 2022 and 2021
(Dollars in Thousands)

	2022	2021
Operating activities:		
Change in net assets without donor restrictions	\$ (524)	\$ (2,977)
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:		
Depreciation/amortization of assets	12,295	13,980
Amortization of debt issuance costs	9	9
Interest expense accrual on finance lease liabilities	-	1
Repayments of interest portion of finance lease liabilities	(6)	-
Amortization of bond premium	-	290
Net gain on capital assets	-	(1)
Changes in operating assets and liabilities:		
Accounts receivable	221	(311)
Unbilled revenue	1,333	(792)
Prepaid expenses and other assets	(5,063)	(4,030)
Other long-term assets	169	254
Other long-term liabilities	(84)	(143)
Accounts payable	4,569	4,830
Accrued liabilities	(2,808)	(232)
Deferred revenue	(917)	(802)
Security deposits	233,700	(29,781)
Market settlement liabilities	311,674	(690,745)
Long-term CRR liabilities	169,705	50,187
Net cash provided by (used in) operating activities	<u>724,273</u>	<u>(660,263)</u>
Investing activities:		
Purchase of investments	-	(27,830)
Proceeds from investments	-	130,505
Investment in subsidiary	(10,579)	-
Capital expenditures for property and equipment and systems under development	(28,392)	(14,008)
Proceeds from sale of property and equipment	-	2
Net cash (used in) provided by investing activities	<u>(38,971)</u>	<u>88,669</u>
Financing activities:		
Repayment of debt payable	(2,000)	(2,000)
Repayments of principal portion of finance lease liabilities	(135)	-
Net cash (used in) financing activities	<u>(2,135)</u>	<u>(2,000)</u>
Net increase in cash, cash equivalents, and restricted cash and cash equivalents	683,167	(573,594)
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year	2,170,810	1,654,896
Cash, cash equivalents, and restricted cash and cash equivalents, end of period	<u>\$ 2,853,977</u>	<u>\$ 1,081,302</u>

ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Financial Position
As of June 30, 2022
(Dollars in Thousands)

	Texas Electric Market		Texas Electric Market			
	ERCOT	Stabilization Funding M	Stabilization Funding N	Eliminations	Consolidated	
Assets						
Current assets:						
Cash and cash equivalents	\$ 1,544,734	\$ 26,285	\$ 10,579	\$ -	\$ 1,581,598	
Accounts receivable	4,842	19,479	32,355	-	56,676	
Unbilled revenue	4,618	-	4,646	(707)	8,557	
Restricted cash and cash equivalents	1,309,243	66,290	8,290	-	1,383,823	
Prepaid expenses and other current assets	30,437	2	-	-	30,439	
Total current assets	2,893,874	112,056	55,870	(707)	3,061,093	
Long-term investments	14,579	-	-	(14,579)	-	
Property and equipment, net	110,884	-	-	-	110,884	
Systems under development	47,023	-	-	-	47,023	
Securitization charges receivable, non current	-	774,412	2,067,684	-	2,842,096	
Other long term assets	698	-	-	-	698	
Total assets	\$ 3,067,058	\$ 886,468	\$ 2,123,554	\$ (15,286)	\$ 6,061,794	
Liabilities and Net Assets						
Current liabilities:						
Accounts payable	\$ 7,636	\$ 26	\$ -	\$ -	\$ 7,662	
Accrued liabilities	21,788	18,017	4,924	(707)	44,022	
Deferred revenue	155	-	-	-	155	
Market settlement liabilities	898,558	-	-	-	898,558	
Security deposits	1,309,243	66,290	8,290	-	1,383,823	
Debt payable, current portion	4,000	13,912	14,807	-	32,719	
Total current liabilities	2,241,380	98,245	28,021	(707)	2,366,939	
Long-term liabilities:						
Debt payable, less current portion:						
Principal	37,000	786,088	2,100,893	-	2,923,981	
Less unamortized discount and debt issuance costs	147	1,865	15,939	-	17,951	
Debt payable less current portion and unamortized discount and debt issuance costs	36,853	784,223	2,084,954	-	2,906,030	
Long-term CRR liabilities	658,299	-	-	-	658,299	
Other long-term liabilities	575	-	-	-	575	
Total long-term liabilities	695,727	784,223	2,084,954	-	3,564,904	
Total liabilities	2,937,107	882,468	2,112,975	(707)	5,931,843	
Net assets without donor restrictions	129,951	4,000	10,579	(14,579)	129,951	
Total liabilities and net assets	\$ 3,067,058	\$ 886,468	\$ 2,123,554	\$ (15,286)	\$ 6,061,794	

ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Activities and Net Assets
For the Six Months Ended June 30, 2022
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M	Texas Electric Market Stabilization Funding N	Eliminations	Consolidated
Operating revenues					
System administration fees	\$ 114,989	\$ -	\$ -	\$ -	\$ 114,989
Other services revenue	5,798	-	-	(346)	5,452
Securitization charges fees	-	12,257	4,686	-	16,943
Total operating revenues	120,787	12,257	4,686	(346)	137,384
Operating expenses					
Salaries and related benefits	65,831	-	-	-	65,831
Facility and equipment costs	4,809	-	-	-	4,809
Outside services	12,289	297	105	(346)	12,345
Hardware and software maintenance and licensing	17,736	-	-	-	17,736
Depreciation	12,295	-	-	-	12,295
Other	10,314	-	-	-	10,314
Total operating expenses	123,274	297	105	(346)	123,330
Income (loss) from operations	(2,487)	11,960	4,581	-	14,054
Other income (expense)					
Investment return, net	2,607	-	-	-	2,607
Interest expense	(644)	(11,960)	(4,581)	-	(17,185)
Change in net assets without donor restrictions	(524)	-	-	-	(524)
Net assets without donor restrictions, beginning of year	130,475	4,000	-	(4,000)	130,475
Equity contribution from parent company	-	-	10,579	(10,579)	-
Net assets without donor restrictions, end of period	\$ 129,951	\$ 4,000	\$ 10,579	\$ (14,579)	\$ 129,951

ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2022

(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M	Texas Electric Market Stabilization Funding N	Eliminations	Consolidated
Operating activities:					
Change in net assets without donor restrictions	\$ (524)	\$ -	\$ -	\$ -	\$ (524)
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:					
Depreciation/amortization of assets	12,295	-	-	-	12,295
Amortization of discount & debt issuance costs	9	34	39	-	82
Repayments of interest portion of finance lease liabilities	(6)	-	-	-	(6)
Changes in operating assets and liabilities:					
Accounts receivable	221	(5,567)	(32,355)	-	(37,701)
Unbilled revenue	1,333	3,264	(4,646)	624	575
Prepaid expenses and other assets	(5,063)	6	-	-	(5,057)
Securitization charges receivable, non current	-	9,769	(2,067,684)	-	(2,057,915)
Other long-term assets	169	-	-	-	169
Other long-term liabilities	(84)	-	-	-	(84)
Accounts payable	4,569	26	-	-	4,595
Accrued liabilities	(2,808)	14,753	4,646	(624)	15,967
Deferred revenue	(917)	-	-	-	(917)
Security deposits	233,700	5,871	8,290	-	247,861
Market settlement liabilities	311,674	-	-	-	311,674
Long-term CRR liabilities	169,705	-	-	-	169,705
Net cash provided by (used in) operating activities	724,273	28,156	(2,091,710)	-	(1,339,281)
Investing activities:					
Investment in subsidiary	(10,579)	-	-	10,579	-
Capital expenditures for property and equipment and systems under development	(28,392)	-	-	-	(28,392)
Net cash (used in) provided by investing activities	(38,971)	-	-	10,579	(28,392)
Financing activities:					
Proceeds from parent company investment	-	-	10,579	(10,579)	-
Proceeds from debt issuance	-	-	2,115,542	-	2,115,542
Repayment of debt payable	(2,000)	-	-	-	(2,000)
Payment of debt issuance costs	-	-	(15,542)	-	(15,542)
Repayments of principal portion of finance lease liabilities	(135)	-	-	-	(135)
Net cash (used in) provided by financing activities	(2,135)	-	2,110,579	(10,579)	2,097,865
Net increase in cash, cash equivalents, and restricted cash and cash equivalents	683,167	28,156	18,869	-	730,192
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year	2,170,810	64,419	-	-	2,235,229
Cash, cash equivalents, and restricted cash and cash equivalents, end of period	\$ 2,853,977	\$ 92,575	\$ 18,869	\$ -	\$ 2,965,421

Item 5.1

ERCOT Public