

LETTER OF INSTRUCTIONS REGARDING  
PAYMENT OF OPERATING EXPENSES

DATE: July 25, 2022  
TO: U.S. Bank National Association, as Indenture Trustee  
RE: Texas Electric Market Stabilization Funding M LLC Texas Stabilization M Bonds, Series 2021 (the "Bonds")

Ladies and Gentlemen:

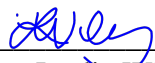
The Bonds were issued pursuant to an Indenture between Texas Electric Market Stabilization Funding M LLC, as the issuer and U.S. Bank National Association, as indenture trustee and securities intermediary (the "Indenture Trustee") dated as of November 12, 2021 (the "Indenture"). Section 8.02(e) of the Indenture provides that on each Payment Date, the Indenture Trustee will apply all amounts on deposit in the Collection Account, including all Investment Earnings thereon, solely in accordance with the Servicer's Certificate (hereinafter defined), in the amount and priority provided in the Indenture. Capitalized terms used herein shall have the respective meanings assigned in the Indenture.

Pursuant to Section 4.01(e)(ii) of the Default Property Servicing Agreement, dated as of November 12, 2021 (the "Servicing Agreement"), between, Electric Reliability Council of Texas Inc., as servicer (the "Servicer") and Texas Electric Market Stabilization Funding M LLC, as the issuer, the Servicer provided a payment certificate (the "Servicer's Certificate" as attached hereto as Exhibit A) certifying that for the August 1, 2022 Payment Date (the "August 2022 Payment Date") that the ordinary and periodic Operating Expenses totaled \$40,863.

The Servicer hereby authorizes and directs you, as the Indenture Trustee, to make payment of the aforementioned Operating Expenses in accordance with the language of 8.02(e) to the parties and in the amounts listed on Exhibit B attached hereto. For reference and payment information, the Servicer has attached the respective invoices as Exhibit C.

[Signature Page Follows]

ELECTRIC RELIABILITY COUNCIL OF  
TEXAS, as Servicer

By:  \_\_\_\_\_

Name: Leslie Wiley

Title: Treasurer

**EXHIBIT A**

**PAYMENT CERTIFICATE  
JULY 2022**

## INITIAL SERVICER'S PAYMENT CERTIFICATE

As of November 12, 2021, Texas Electric Market Stabilization Funding M LLC, a Delaware limited liability company (the "Issuer") and U.S. Bank National Association, a national banking association, in its capacity as indenture trustee (the "Indenture Trustee") entered into that certain Indenture relating to the Texas Stabilization M Bonds.

Capitalized terms used herein have their respective meanings as set forth in the Indenture. References herein to certain sections and subsections are references to the respective sections of the Default Property Servicing Agreement or the Indenture, as the context indicates.

Pursuant to Section 4.01(e)(ii) of the Default Property Servicing Agreement, dated as of November 12, 2021 (the "Servicing Agreement"), between, Electric Reliability Council of Texas Inc., as Servicer and Texas Electric Market Stabilization Funding M LLC, as Issuer, the Servicer does hereby certify, for the August 1, 2022 Payment Date (the "Current Payment Date"), as follows:

**Collection Periods:** February 2022 through and including July 2022

**Payment Date:** August 1, 2022

**1. Collections Allocable, Investments Earnings and Aggregate Amounts Available for the Current Payment Date:**

Remittances for the 1/22 Collection Period	\$3,713,235.01
i. Remittances for the 2/22 Collection Period	\$3,713,234.88
ii. Remittances for the 3/22 Collection Period	\$3,713,234.99
iii. Remittances for the 4/22 Collection Period	\$3,713,234.97
iv. Remittances for the 5/22 Collection Period	\$3,713,235.07
v. Remittances for the 6/22 Collection Period	\$3,713,234.96
vi. Remittances for the 7/22 Collection Period <sup>1</sup>	\$3,761,984.97
vii. Investment Earnings on General Subaccount	\$5,336.95
viii. Investment Earnings on Debt Service Reserve Subaccount	\$954.03
ix. Investment Earnings on Supplemental Capital Subaccount	\$0.00
x. Investment Earnings on Excess Funds Subaccount	\$0.00
<b>General Subaccount Balance (sum of i through x above)</b>	<b>\$26,047,685.83</b>
xi. Debt Service Reserve Subaccount Balance as of Prior Payment Date <sup>2</sup>	\$4,000,000.00
xii. Supplemental Capital Subaccount Balance as of Prior Payment Date	\$0.00
xiii. Excess Funds Subaccount Balance as of Prior Payment Date	\$0.00
<b>Collection Account Balance (sum of xi through xiii above)</b>	<b>\$4,000,000.00</b>

<sup>1</sup> Does not include remittances collected and remitted to the Indenture Trustee after the date of this Servicer's Payment Certificate.

<sup>2</sup> This Servicer's Payment Certificate covers the period from closing to the First Payment Date of August 1, 2022; there have been no Prior Payment Dates as of the date of this Servicer's Payment Certificate.

**2. Outstanding Amounts of as of Prior Payment Date** \$800,000,000.00

**3. Required Funding/Payments as of Current Payment Date:** \$22,279,406.00

Series 2021 Periodic Principal Due

\$4,243,656.00

	<u>Rate</u>	<u>Days in Interest Period</u> <sup>3</sup>	<u>Principal Balance</u>	<u>Interest Due</u>
Series 2021 Interest Due	2.97%	259	\$800,000,000.00	\$17,094,000.00

	<u>Required Level</u>	<u>Additional Funding Required</u>
Debt Service Reserve Subaccount	\$4,000,000.00	\$0.00

	<u>Required Level</u>	<u>Additional<sup>4</sup> Funding Required</u>
Supplemental Capital Subaccount	\$0.00	\$500,000.00

**4. Allocation of Remittances as of Current Payment Date Pursuant to 8.02(e) of Indenture**

i. Trustee Fees and Expenses; Indemnity Amounts	\$0.00
ii. Servicing Fee	\$200,000.00
iii. Administration Fee	\$50,000.00
iv. Ordinary and periodic Operating Expenses	\$40,863.00
v. Periodic Interest (including any past-due for prior periods)	\$17,094,000.00
vi. Principal Due & Payable as a Result of an Event of Default or at Final Maturity	\$0.00
vii. Periodic Principal	\$4,243,656.00

<sup>3</sup> On 30/360 day basis for initial payment date; otherwise use one-half of annual rate.

<sup>4</sup> Annually, until certain conditions are satisfied, the Issuer is required to deposit into the Supplemental Capital Subaccount \$1,000,000.00. The obligation to deposit commences on August 1, 2022 and the initial deposit is \$500,000. Thereafter monthly installments of \$83,333.33 are due on the first Business Day of each calendar month until the requirements of Section 3(a) of the Series Supplement are met.

	<u>Aggregate</u>	<u>Per \$1000 of Original Principal Amount</u>
Series 2021 Periodic Interest Payment	\$17,094,000.00	\$21.37
	<u>Aggregate</u>	<u>Per \$1000 of Original Principal Amount</u>
Principal Due & Payable as a Result of an Event of Default or at Final Maturity	\$0.00	\$0.00
	<u>Aggregate</u>	<u>Per \$1000 of Original Principal Amount</u>
Series 2021 Periodic Principal Payment	\$4,243,656.00	\$5.30

viii. Funding of Debt Service Reserve Subaccount (to required level)	\$0.00
ix. Funding of Supplemental Capital Subaccount (to required level)	\$500,000.00
x. Deposit to Excess Funds Subaccount <sup>5</sup>	\$0.00
xi. Investment Earnings on Excess Funds Subaccount	\$0.00
xii. Accounts Released to Issuer upon Retirement of all Notes	\$0.00
<b>Aggregate Remittances as of Current Payment Date</b>	<b>\$22,128,519.00</b>

**5. Subaccount Withdrawals as of Current Payment (if applicable, pursuant to Section 8.02(f)) of Indenture:**

i. Debt Service Reserve Subaccount	\$0.00
ii. Supplemental Capital Subaccount	\$0.00
iii. Excess Funds Subaccount	\$0.00
<b>Total Withdrawal</b>	<b>\$0.00</b>

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<sup>5</sup> See Section 8.02(e)(xii) of Indenture.

**6. Outstanding Series 2021 Balance and Collection Account Balance as of Current Payment Date (after giving effect to payments to be made on such Payment Date):**

i. Series 2021 Outstanding Amount	\$795,756,344.00
ii. Collection Account Balance	
(a) General Subaccount Balance	\$0.00
(b) Debt Service Reserve Subaccount Balance	\$4,000,000.00
(c) Supplemental Capital Subaccount Balance	\$500,000.00
(d) Excess Funds Subaccount Balance	\$0.00
<b>Aggregate Collection Account Balance ((a) through (d) above)</b>	<b>\$4,500,000.00</b>

**7. Shortfalls in Interest and Principal Payments as of Current Payment Date**

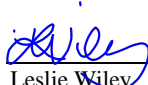
i. Periodic Interest Payment	\$0.00
ii. Periodic Principal Payment	\$0.00

**8. Shortfalls in Required Subaccount Levels as of Current Payment Date**

i. Debt Service Reserve Subaccount	\$0.00
ii. Supplemental Capital Subaccount	\$0.00

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Servicer's Payment Certificate this 25th day of July 2022.

**Electric Reliability Council of Texas Inc.,**  
as Servicer

By:   
Name: Leslie Wiley  
Title: Treasurer

## EXHIBIT B

### OPERATING EXPENSES

<b>Payee</b>	<b>Amount</b>
Baker Tilly US, LLP	\$30,000.00
Porter Hedges LLP	\$2,363.00
Global Securitization Service, LLC	\$2,500
U.S. Bank	\$3,500
Wilmington Trust SP Services, Inc.	\$2,500
<b>TOTAL:</b>	<b><u>\$40,863.00</u></b>

**EXHIBIT C**

**INVOICES**



Baker Tilly US, LLP  
4807 Innovate Lane • PO Box 7398  
Madison, WI 53707-7398 • 608 249 6622



Electric Reliability Council of Texas, Inc  
8000 Metropolis Drive  
Building E, Suite 100  
Austin, TX 78744

**Invoice Date:** March 31, 2022  
**Invoice Number:** BT2038207  
**Client Number:** 113387

**INVOICE**

**AMOUNT**

<b>INVOICE</b>	<b>AMOUNT</b>
<b>Fees</b> Professional services rendered through the period ending March 30, 2022 including: Progress billing for audit of the financial statements of Texas Electric Market Stabilization Funding M for the year ended December 31, 2021  Total Audit Contract = \$30,000  Billed to date - \$0 Current invoice - \$12,718 Billed to date - \$12,718  Amount remaining - \$17,282	\$12,718.00
	Fees Total: \$12,718.00
	Expenses Total: \$0.00
	<b>Invoice Total: \$12,718.00</b>

For questions, comments or suggestions, please contact Sarah Slaughter at 608 249 6622.

**Balance is payable upon receipt or previously agreed upon terms.**

**To pay by Credit Card, Debit Card, or EFT using your Checking Account visit [www.bakertilly.com/payment](http://www.bakertilly.com/payment).  
There is 3.5% surcharge on all Credit Card payments. There is no fee for Debit Card or EFT Payments.**

<b>Please ACH or wire payment to:</b> US Bank, Milwaukee, WI Routing No: 075000022 Account No: 312220280 Reference #: BT2038207	<b>Or send payment to:</b> Baker Tilly US, LLP Box 78975 Milwaukee, WI 53278-8975	<b>Reference:</b> Client Number: 113387 Invoice Number: BT2038207 Amount Enclosed: \$ _____
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Baker Tilly US, LLP  
 4807 Innovate Lane • PO Box 7398  
 Madison, WI 53707-7398 • 608 249 6622



Electric Reliability Council of Texas, Inc  
 8000 Metropolis Drive  
 Building E, Suite 100  
 Austin, TX 78744

**Invoice Date:** April 30, 2022  
**Invoice Number:** BT2078046  
**Client Number:** 113387

**INVOICE**

**AMOUNT**

<b>Fees</b>	
Professional services rendered through the period ending April 30, 2022 including:  Final billing for audit of the financial statements of Texas Electric Market Stabilization Funding M for the year ended December 31, 2021  Total Audit Contract = \$30,000  Billed to date - \$12,718 Current invoice - \$17,282 Billed to date - \$30,000  Amount remaining - \$0	\$17,282.00
  Final billing for Electric Reliability Council of Texas, Inc -2021 Financial audit.  Total Audit Contract = \$82,500  Billed to date - \$77,249 Current invoice - \$5,251 Total services and billings to date - \$82,500  Amount remaining - \$0	  \$5,251.00
<b>Fees Total:</b>	<b>\$22,533.00</b>
<b>Expenses Total:</b>	<b>\$0.00</b>
<b>Invoice Total:</b>	<b>\$22,533.00</b>

For questions, comments or suggestions, please contact Sarah Slaughter at 608 249 6622.

**Balance is payable upon receipt or previously agreed upon terms.**

**To pay by Credit Card, Debit Card, or EFT using your Checking Account visit [www.bakertilly.com/payment](http://www.bakertilly.com/payment).  
 There is 3.5% surcharge on all Credit Card payments. There is no fee for Debit Card or EFT Payments.**

<b>Please ACH or wire payment to:</b> US Bank, Milwaukee, WI Routing No: 075000022 Account No: 312220280 Reference #: BT2078046	<b>Or send payment to:</b> Baker Tilly US, LLP Box 78975 Milwaukee, WI 53278-8975	<b>Reference:</b> Client Number: 113387 Invoice Number: BT2078046 Amount Enclosed: \$ _____
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Corporate Trust Services  
 EP-MN-WN3L  
 60 Livingston Ave.  
 St. Paul, MN 55107

"Copy of Previously Printed Invoice"  
 Invoice Number:  
 Account Number:  
 Invoice Date:  
 Direct Inquiries To:  
 Phone:

6365115  
 225302000  
 12/21/2021  
 MIKE HERBERGER  
 972-581-1612

TEXAS ELECTRIC MARKET STABILIZATION  
 FUNDING M LLC  
 ATTN SEAN TAYLOR  
 7620 METRO CENTER DRIVE  
 AUSTIN TX 78744

**TEXAS ELECTRIC MARKET STABILIZATION FUNDING M LLC BONDS, SERIES 2021 COLLECTION  
 ACCOUNT**

The following is a statement of transactions pertaining to your account. For further information, please review the attached.

**STATEMENT SUMMARY**

**PLEASE REMIT BOTTOM COUPON PORTION OF THIS PAGE WITH CHECK PAYMENT OF INVOICE.**

TOTAL AMOUNT DUE \$3,500.00

All invoices are due upon receipt.

Please detach at perforation and return bottom portion of the statement with your check, payable to U.S. Bank.

**TEXAS ELECTRIC MARKET STABILIZATION FUNDING  
 M LLC BONDS, SERIES 2021 COLLECTION ACCOUNT**

Invoice Number:	6365115
Account Number:	225302000
Current Due:	\$3,500.00
Direct Inquiries To:	MIKE HERBERGER
Phone:	972-581-1612

Wire Instructions:  
 U.S. Bank  
 ABA # 091000022  
 Acct # 1-801-5013-5135  
 Trust Acct # 225302000  
 Invoice # 6365115  
 Attn: Fee Dept St. Paul

Please mail payments to:  
 U.S. Bank  
 CM-9690  
 PO BOX 70870  
 St. Paul, MN 55170-9690



Corporate Trust Services  
 EP-MN-WN3L  
 60 Livingston Ave.  
 Minneapolis, MN 55402  
 "Copy of Previously Printed Invoice"

Invoice Number: 6365115  
 Invoice Date: 12/21/2021  
 Account Number: 225302000  
 Direct Inquiries To: MIKE HERBERGER  
 Phone: 972-581-1612

**TEXAS ELECTRIC MARKET STABILIZATION FUNDING  
 M LLC BONDS, SERIES 2021 COLLECTION ACCOUNT**

Accounts Included 225302000  
 In This Relationship:

**CURRENT CHARGES SUMMARIZED FOR ENTIRE RELATIONSHIP**

<b>Detail of Current Charges</b>	<b>Volume</b>	<b>Rate</b>	<b>Portion of Year</b>	<b>Total Fees</b>
01010 Acceptance Fee	500.00	1.00		\$500.00
<b>Subtotal Acceptance Fees</b>				<b>\$500.00</b>
04111 Paying Agent / Regist / Trustee Agent	1.00	3,000.00	100.00%	\$3,000.00
<b>Subtotal Administration Fees - In Advance 11/01/2021 - 10/31/2022</b>				<b>\$3,000.00</b>
<b>TOTAL AMOUNT DUE</b>				<b>\$3,500.00</b>



**GLOBAL**

Securitization Services, LLC  
68 South Service Road, Suite 120  
Melville, New York 11747

**INVOICE**

Thursday, November 11, 2021

E-mail  
apayable@ercot.com

**Texas Electric Market Stabilization Funding M LLC**

**Invoice No.: 62369**

Please feel free to call Kevin P. Burns at (631) 930-7201 should you have any questions regarding this invoice.

**Bill To:**

Accounts Payable  
Electric Reliability Council of Texas (ERCOT)  
, USA

For Independent Directorship services provided for the period from 11/11/2021 to 11/11/2022.  
Net 30 days.

Fee for period:	\$2,500.00
Out of pocket expenses:	\$0.00
Total Due:	<u>\$2,500.00</u>

**Our Tax ID# is: 13-3920240**

Payments by check should be made payable and sent to Global Securitization Services, LLC,  
P.O. Box 11423 Newark, NJ 07101-4014.

Payments by wire transfer should be sent via the following transfer instructions:

Signature Bank  
ABA# 026 013 576  
SWIFT - SIGNUS33  
A/C # 1502313947  
Global Securitization Services LLC  
Re: Invoice# 62369

# PORTER HEDGES LLP

A REGISTERED LIMITED LIABILITY PARTNERSHIP

DEPT. 510  
P.O. BOX 4346  
HOUSTON, TEXAS 77210-4346

TELEPHONE (713) 226-6000  
TELECOPIER (713) 228-1331

Page 1  
Inv# 533608  
Date 04/06/22  
015270-0019  
E. JAMES COWEN, JR.

U.S. BANK NATIONAL ASSOCIATION  
ATTN: SHAWN GOFFINET  
13737 NOEL ROAD, SUITE 800  
DALLAS, TX 75240

TAX ID# 74-2174193

## Texas Electric Market Stabilization Funding M LLC - Texas Stabilization M Bonds Series 2021

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### Invoice Summary

Professional Services	\$2,363.00
Disbursements	0.00
Total Current Invoice	<u>\$2,363.00</u>
<b>TOTAL AMOUNT DUE</b>	<b><u><u>\$2,363.00</u></u></b>

# PORTER HEDGES LLP

A REGISTERED LIMITED LIABILITY PARTNERSHIP

DEPT. 510  
P.O. BOX 4346  
HOUSTON, TEXAS 77210-4346

TELEPHONE (713) 226-6000  
TELECOPIER (713) 228-1331

Page 2  
Inv# 533608  
Date 04/06/22  
015270-0019  
E. JAMES COWEN, JR.

TAX ID# 74-2174193

For professional services rendered and related expenses incurred in the above-referenced matter through March 2022, as follows:

<b>Date</b>	<b>Tkpr</b>	<b>Description</b>	<b>Hours</b>
03/29/22	EJC	Review indenture and review and revise Winstead continuing perfection opinion.	1.00
03/29/22	JKS	Review and prepare comments to Winstead legal opinion	1.00
03/30/22	EJC	Teleconference with M. Herberger regarding trustee succession; review and revise the same and transmit to Winstead; correspond with ERCOT and US Bank representatives regarding succession.	0.50
03/31/22	EJC	Review executed continued perfection opinion.	0.20
Total Hours			2.70
<b>Total Services</b>			<b>\$2,363.00</b>
Total Disbursements			\$0.00
<b>Total This Invoice</b>			<b>\$2,363.00</b>

# PORTER HEDGES LLP

A REGISTERED LIMITED LIABILITY PARTNERSHIP

DEPT. 510  
P.O. BOX 4346  
HOUSTON, TEXAS 77210-4346

TELEPHONE (713) 226-6000  
TELECOPIER (713) 228-1331

Inv# 533608  
Date 04/06/22  
015270-0019  
E. JAMES COWEN, JR.

U.S. BANK NATIONAL ASSOCIATION  
ATTN: SHAWN GOFFINET  
13737 NOEL ROAD, SUITE 800  
DALLAS, TX 75240

TAX ID# 74-2174193

**Texas Electric Market Stabilization Funding M LLC - Texas Stabilization M Bonds Series 2021**

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## REMITTANCE PAGE

**Invoice Total**

**\$2,363.00**

### Payment Options

**By online ACH:** [www.porterhedges.com/payments](http://www.porterhedges.com/payments)

**By mail:**

Dept. 510  
P.O. Box 4346  
Houston, Texas 77210-4346

**By wire:**

**Financial** Amegy Bank of Texas  
1801 Main Street  
Houston, TX 77002

**Federal Bank Routing for Wires/ACH/EFT:** RT/ABA# 113011258

**Swift Address for International Wires:** ZFNBUS55

**PORTER HEDGES LLP Operating Account:** 5791152449

**Reference:** 015270-0019



# Wilmington Trust SP Services, Inc.

1105 North Market Street  
Suite 1300  
Wilmington, DE 19801  
302-651-8321

Client #: 211481  
Team #: 16  
Date: 11/19/2021

To: Texas Electric Market Stabilization Funding M LLC  
7620 Metro Center Drive  
  
Austin, TX  
78744

## Origination Fee

Invoice No: DCM000000207007  
Project No: 60093

<b>Fees:</b> Origination Fee	\$1,000.00
Origination Fee	

## Independent Manager

Invoice No: DCM000000207008  
Project No: 60094

<b>Fees:</b> Independent Manager	\$1,500.00
Independent Manager 11/12/2021-10/31/2022	

**To ensure prompt and accurate application of your payment, please include the invoice number on your check or wire transfer. Payment instructions are listed below:**

Check Mailing Address:  
Wilmington Trust SP Services, Inc.  
PO Box 8985  
Wilmington, DE 19801

Wire Instructions  
Wilmington Trust SP Services, Inc.  
Bank Name: M&T Bank  
ABA#: 031100092  
Account#: 2460-3504

**Please keep this invoice for your records. Please note that this invoice is due and payable upon receipt. Charges remaining unpaid after 60 days will incur a late charge of 1.5% per month, 18% per annum. Thank you.**

**TOTAL DUE THIS INVOICE: \$2,500.00**

*All fees are in U.S. dollars.*