



Item 4.1: Review 2023 Financial Summary

Sean Taylor

Vice President and Chief Financial Officer

Finance and Audit Committee Meeting

ERCOT Public

June 19, 2023

Overview

- **Purpose**

- To provide the Finance and Audit (F&A) Committee an overview of ERCOT's financial performance as of April 30, 2023

- **Voting Items / Requests**

- No action is requested of the F&A Committee or Board; for discussion only

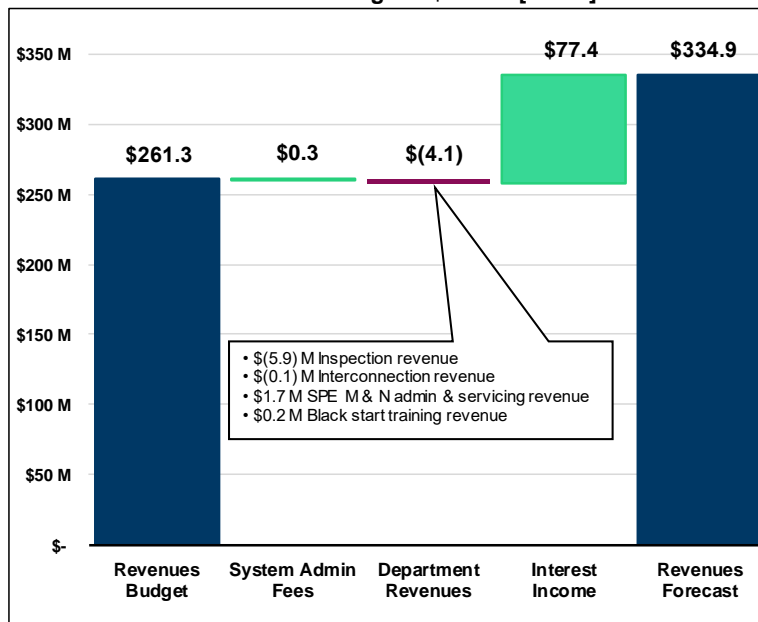
- **Key Takeaways**

- ERCOT's year-to-date 2023 actual revenues net of expenditures are \$21.4 million favorable to budget, driven by interest income being favorable by \$33.7 million, partially offset by resource management being unfavorable by \$(9.6) million
- ERCOT's year-end 2023 forecasted revenues net of expenditures are \$36.9 million favorable to budget, driven by interest income forecasted to be favorable by \$77.4 million, partially offset by resource management forecasted to be unfavorable by \$(29.5) million
- ERCOT's unrestricted cash and bond investments have increased \$851.3 million year-over-year, driven by an increase in Congestion Revenue Right (CRR) auction receipts held which includes the full replenishment of CRRs temporarily used for market liquidity
- ERCOT's April 30, 2023 operating use of CRR funds was \$19.5 million compared to \$0 as of April 30, 2022 when ERCOT held \$4.8 million in operating cash

Review 2023 Financial Summary: 2023 Variance to Budget (\$ in Millions)

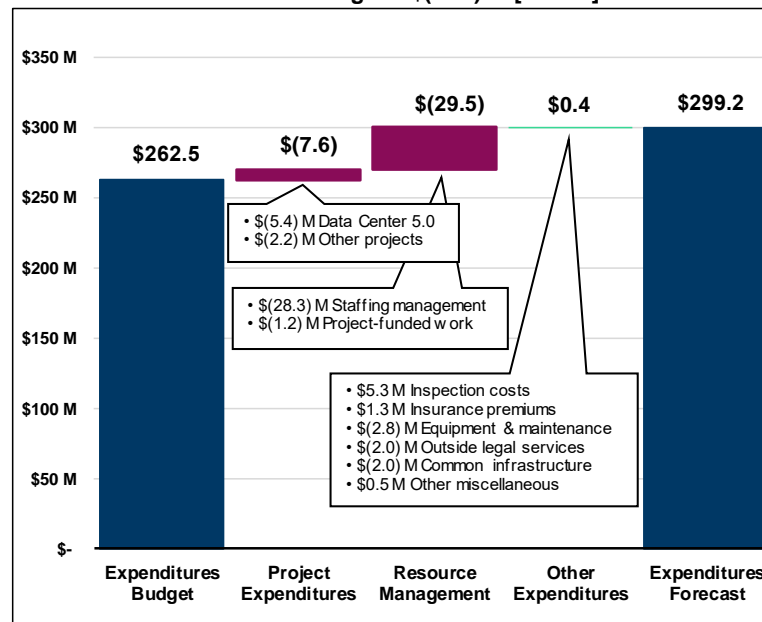
Net Available Year-End Forecast Variance to Budget = \$36.9 M

Revenues Year-End Forecast
Variance to Budget = \$73.6 M [28.2%]



Charts may not foot due to rounding

Expenditures Year-End Forecast
Variance to Budget = \$(36.8) M [-14.0%]



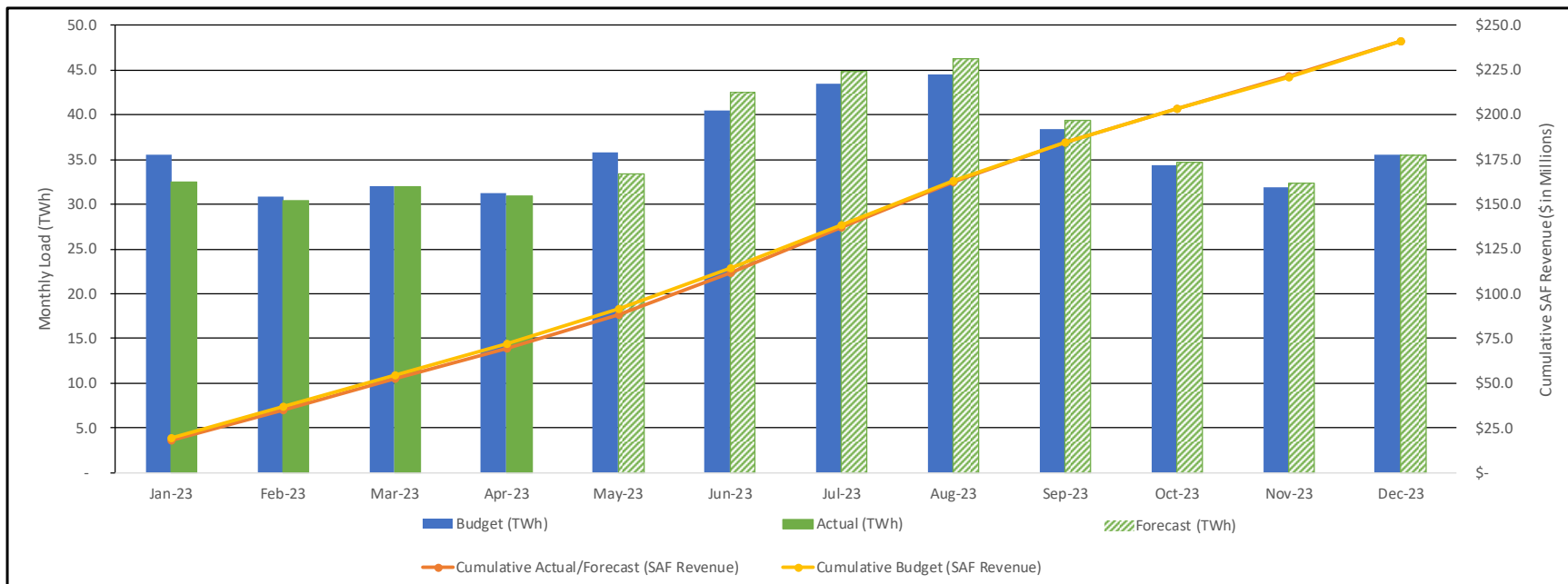
- Staffing management excludes 14 inspection positions which are included in Inspection costs for 2023 Budget
- See appendix page 12 for staffing management variance components

Key Takeaway: The forecasted year-end 2023 results are a net available amount of \$35.7 M versus a budgeted amount of \$(1.1) M, a \$36.9 M favorable variance

Review 2023 Financial Summary:

2023 Budget versus Actual:

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



Load (TWh):		FY 2022	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	FY 2023
Budget		419.6	35.6	30.9	32.0	31.2	35.8	40.4	43.5	44.4	38.4	34.4	31.9	35.6	434.0
Actual/Forecast		431.0	32.4	30.4	31.9	30.9	33.4	42.5	44.9	46.2	39.4	34.7	32.3	35.5	434.5
Variance		11.4	(3.1)	(0.4)	(0.0)	(0.3)	(2.4)	2.1	1.4	1.8	0.9	0.3	0.5	(0.1)	0.5
Variance (%)		2.7%	-8.8%	-1.4%	-0.1%	-1.0%	-6.7%	5.2%	3.1%	4.0%	2.4%	0.8%	1.5%	-0.3%	0.1%

SAF Revenue (\$ in Millions):		FY 2022	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	FY 2023
Cumulative Budget		\$ 232.9	\$ 19.7	\$ 36.9	\$ 54.6	\$ 71.9	\$ 91.8	\$ 114.2	\$ 138.4	\$ 163.0	\$ 184.4	\$ 203.4	\$ 221.1	\$ 240.9	\$ 240.9
Cumulative Actual/Forecast		\$ 239.2	\$ 18.0	\$ 34.9	\$ 52.6	\$ 69.7	\$ 88.3	\$ 111.9	\$ 136.8	\$ 162.5	\$ 184.3	\$ 203.5	\$ 221.5	\$ 241.2	\$ 241.2
Cumulative Variance		\$ 6.3	\$ (1.7)	\$ (2.0)	\$ (2.0)	\$ (2.2)	\$ (3.5)	\$ (2.3)	\$ (1.6)	\$ (0.6)	\$ (0.1)	\$ 0.1	\$ 0.4	\$ 0.3	\$ 0.3
Cumulative Variance (%)		2.7%	-8.8%	-5.4%	-3.7%	-3.0%	-3.8%	-2.0%	-1.1%	-0.4%	0.0%	0.0%	0.2%	0.1%	0.1%

Review 2023 Financial Summary: ERCOT Statements of Financial Position

As of April 30
Dollars in Millions

	ERCOT		Texas Electric Market Stabilization Funding M (TEMSFM)		Texas Electric Market Stabilization Funding N (TEMSFN)	
	2023	2022	2023	2022	2023	2022
Assets						
Unrestricted cash	\$ 1,624.4	\$ 1,287.9	\$ 4.0	\$ 4.0	\$ -	\$ -
Bond Investments	514.8	-	-	-	-	-
Total unrestricted cash and bond investments	2,139.2	1,287.9	4.0	4.0	-	-
Restricted cash and interest receivable	1,125.7	1,042.3	27.9	81.0	51.8	-
Other current assets	58.5	36.6	9.5	17.7	42.6	-
Long-term investment in subsidiary	14.6	4.0	-	-	-	-
Other long-term assets	181.1	155.9	389.1	777.6	2,035.3	-
Total assets	\$ 3,519.1	\$ 2,526.7	\$ 430.5	\$ 880.3	\$ 2,129.7	\$ -
Liabilities and Net Assets						
CRR auction liabilities-current	\$ 1,090.2	\$ 710.1	\$ -	\$ -	\$ -	\$ -
CRR auction liabilities-long term	1,021.5	722.8	-	-	-	-
Other market liabilities	46.7	125.2	-	-	-	-
Use of CRR for market liquidity	-	(274.9)	-	-	-	-
Total market settlement liabilities	2,158.4	1,283.2	-	-	-	-
Security deposits and interest payable	1,125.7	1,042.3	19.4	66.4	3.6	-
Other current liabilities	32.5	40.6	15.4	25.7	69.5	-
Other long-term liabilities	34.4	38.4	391.7	784.2	2,046.0	-
Net assets without donor restrictions	168.1	122.2	4.0	4.0	10.6	-
Total liabilities and net assets	\$ 3,519.1	\$ 2,526.7	\$ 430.5	\$ 880.3	\$ 2,129.7	\$ -

Key Takeaway:

- ERCOT's unrestricted cash and bond investments have increased \$851.3 M year-over-year, driven by an increase in CRR auction receipts held and the full replenishment of CRRs temporarily used for market liquidity
- TEMSFM's restricted cash and interest receivable decreased \$53.1 M year-over-year, driven by \$50.0 M paid back to CRR temporarily used for market liquidity
- TEMSFM' other long-term assets decreased \$388.5 M and other long-term liabilities decreased \$392.5 M, primarily due to the early redemption of bond principal, driven by receipt of the Brazos settlement funds



Review 2023 Financial Summary: ERCOT Statements of Activities and Net Assets

For the Four Months Ended April
Dollars in Millions

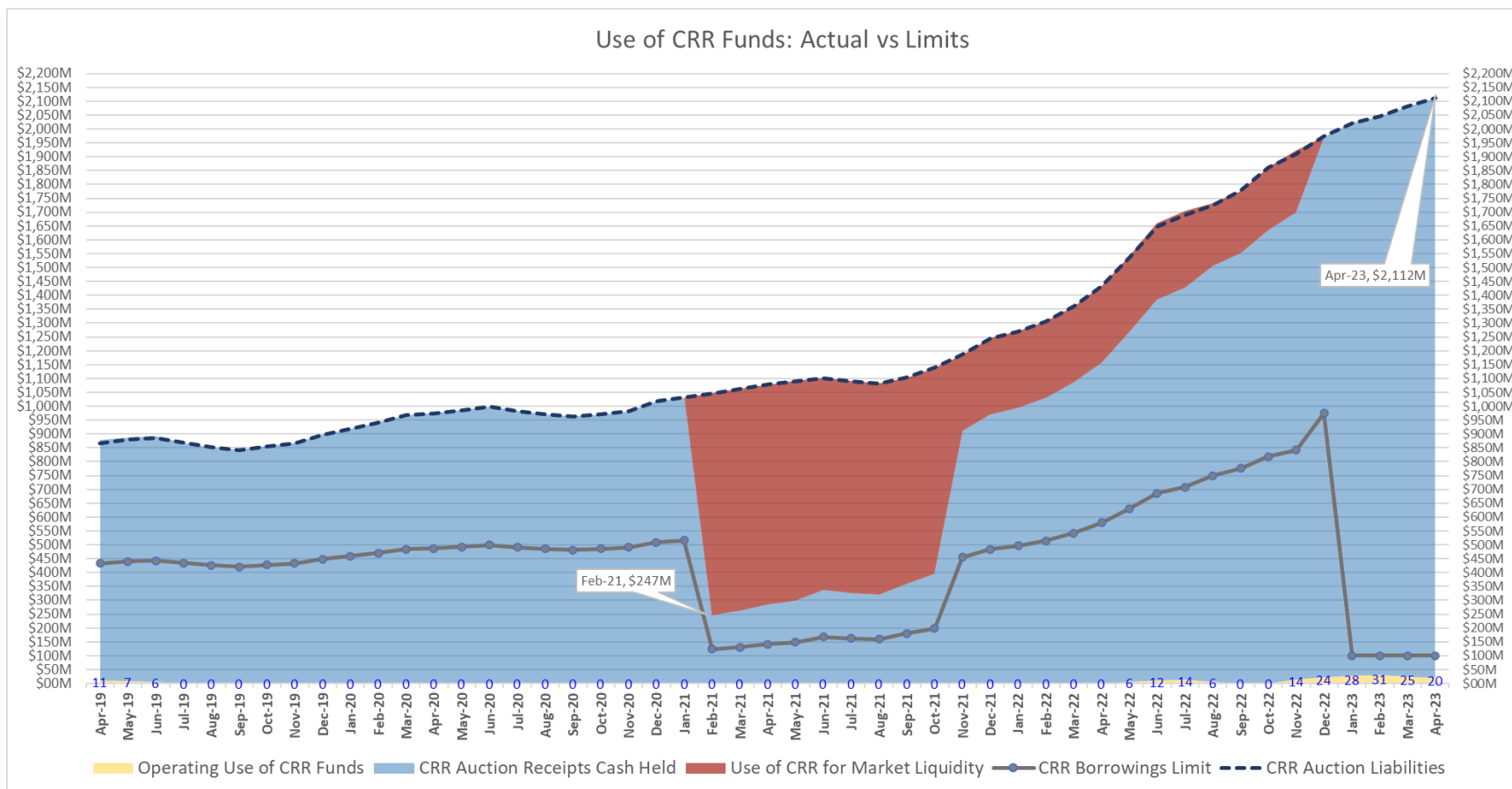
	ERCOT		Texas Electric Market Stabilization Funding M (TEMSFM)		Texas Electric Market Stabilization Funding N (TEMSFN)	
	2023	2022	2023	2022	2023	2022
Operating revenues	\$ 74.3	\$ 74.5	\$ 5.1	\$ 8.2	\$ 34.1	\$ -
Operating expenses	94.6	82.7	0.3	0.2	0.4	-
Income (loss) from operations	(20.3)	(8.2)	4.8	8.0	33.7	-
Other income (expense)	33.3	(0.1)	(4.8)	(8.0)	(33.7)	-
Change in net assets without donor restrictions	13.0	(8.3)	-	-	-	-
Net assets without donor restrictions, beginning of year	155.1	130.5	4.0	4.0	10.6	-
Net assets without donor restrictions, end of period	\$ 168.1	\$ 122.2	\$ 4.0	\$ 4.0	\$ 10.6	\$ -

Key Takeaways: ERCOT's year-over-year change in net assets without donor restrictions (equity) for the four months ended April increased by \$21.3 M:

- \$11.9 M increase in operating expenses, driven by
 - \$12.0 M (27%) increase in salaries and related benefits expense
 - \$ 2.6 M (32%) increase in depreciation expense
 - \$ 2.1 M (20%) increase in hardware and software maintenance expense
 - \$ 4.4 M (40%) decrease in outside services expense
- \$33.4 M increase in other income (interest income)

Review 2023 Financial Summary:

Use of CRR Funds: Actual vs Limits



Key Takeaway: As of April 2023, Operating Use of CRR Funds is \$19.5 M



Review 2023 Financial Summary:

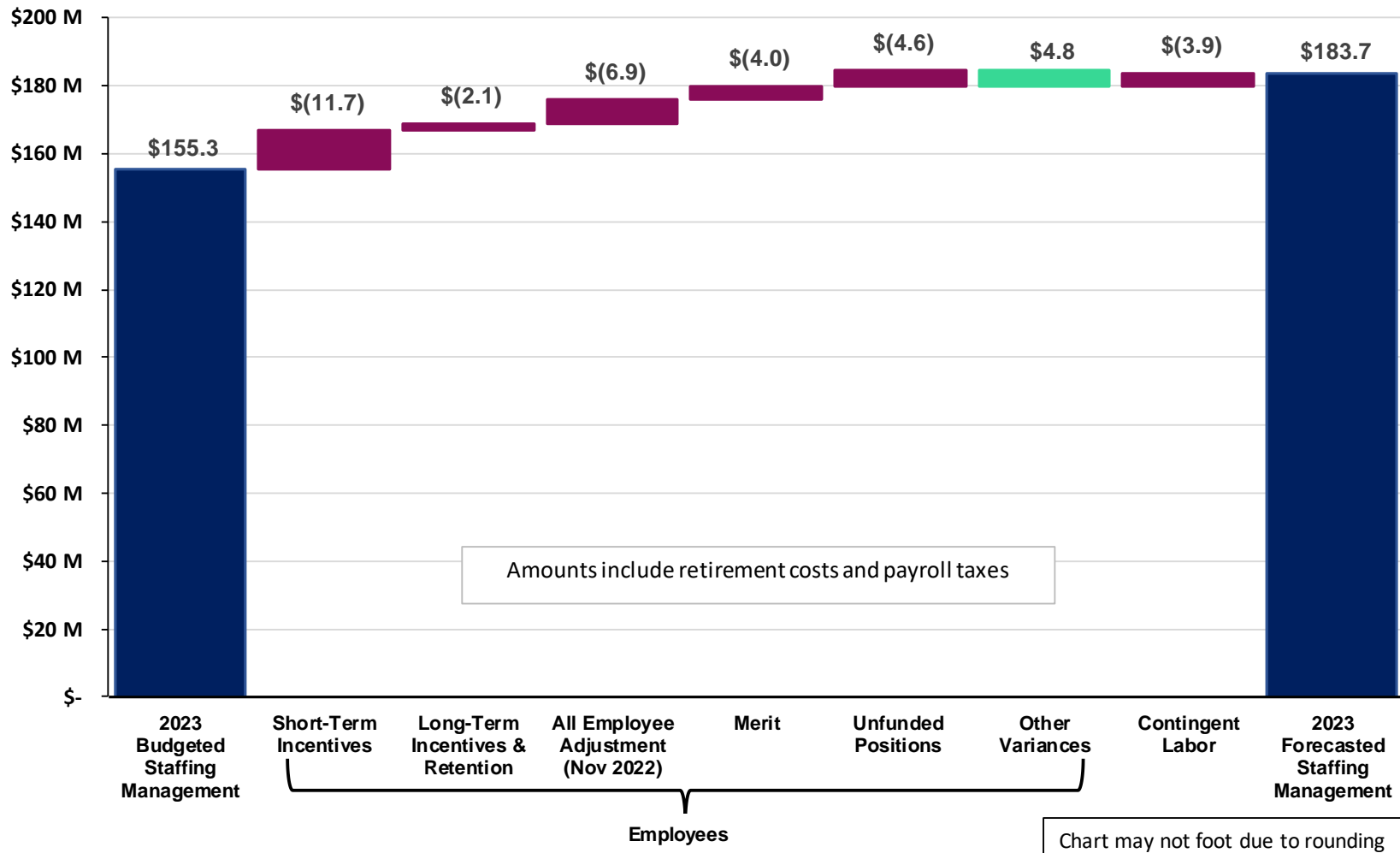
Appendices

Electric Reliability Council of Texas, Inc. 2023 Financial Summary As of June 1, 2023 (\$ in Millions)										
						Year-to-Date (April 30)				
						Year-End (December 31)				
Line	2022		2023			2022		2023		
					Variance					Variance
	Actual	Budget	Actual	\$	%	Actual	Budget	Forecast	\$	%
1 System Administration Revenue	\$ 70.2	\$ 71.9	\$ 69.7	\$ (2.2)	(3.0)	\$ 239.2	\$ 240.9	\$ 241.2	\$ 0.3	0.1
2 Department Net Expenditures										
3 Chief Information Office	29.9	32.3	39.7	(7.4)	(23.0)	91.8	96.8	105.3	(8.5)	(8.8)
4 Chief Administrative Office	11.4	13.3	12.4	0.9	6.6	37.6	40.3	41.1	(0.8)	(1.9)
5 General Counsel	11.5	8.9	9.9	(1.0)	(11.5)	30.3	26.5	33.9	(7.4)	(28.0)
6 System Operations	7.5	7.9	9.3	(1.4)	(17.4)	23.8	24.3	28.0	(3.7)	(15.3)
7 Commercial Operations	5.5	5.9	6.7	(0.8)	(13.0)	16.1	17.6	19.2	(1.6)	(9.0)
8 System Planning & Weatherization	2.5	3.2	5.3	(2.1)	(67.1)	13.1	9.5	17.4	(8.0)	(84.2)
9 Public Affairs	2.2	2.8	2.7	0.1	2.1	7.0	8.3	8.2	0.1	1.6
10 Chief Executive Office	0.3	0.4	1.8	(1.4)	(333.4)	1.8	1.7	3.8	(2.1)	(126.5)
11 Project Funded Labor	(3.1)	(4.6)	(4.4)	(0.2)	(4.9)	(11.7)	(13.9)	(12.7)	(1.3)	(9.2)
12 Total Department Net Expenditures	67.7	69.9	83.4	(13.4)	(19.2)	209.7	211.1	244.3	(33.3)	(15.8)
13 Net Revenues After Department Expenditures	2.5	2.0	(13.6)	(15.6)	(793.6)	29.5	29.8	(3.2)	(33.0)	(110.6)
14										
15 Less: Project Expenditures	8.0	9.8	6.6	3.2	32.7	54.0	29.5	37.1	(7.6)	(25.8)
16 Less: Met Center Replacement	0.0	0.0	0.0	0.0	0.0	15.4	0.0	0.0	0.0	0.0
17 Less: Interest Expense	0.5	0.5	0.4	0.1	11.5	1.1	1.5	1.4	0.1	5.0
18 Add: Interest Income	0.3	0.0	33.7	33.7	>1,000.0	25.0	0.0	77.4	77.4	>1,000.0
19										
20 Net Available	\$ (5.7)	\$ (8.3)	\$ 13.1	\$ 21.4	257.5	\$ (16.0)	\$ (1.1)	\$ 35.7	\$ 36.9	>1,000.0
Note: Schedule may not foot due to rounding										

Electric Reliability Council of Texas, Inc. 2023 Financial Summary Variance Explanations As of June 1, 2023		
Line	Year-to-Date (April 30)	Year-End (December 31)
1 System Administration Revenue	-\$4.8 M - Weather +\$2.6 M - Economy	+\$0.3 M - Based on current actuals and load forecast for remainder of year
3 Chief Information Office	-\$1.8 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$2.0 M - Common infrastructure -\$0.1 M - Contingent labor [Resource Management - Staffing Management] +\$0.5 M - HW/SW support & maintenance renewals +\$0.2 M - Outside services/studies +\$0.1 M - WAN costs +\$0.1 M - HW/SW vendor support services [Resource Management - Project-Funded Work] +\$0.1 M - Other miscellaneous <u>Timing Differences</u> -\$4.9 M - Common infrastructure -\$0.2 M - WAN revenue +\$0.2 M - WAN costs +\$0.2 M - HW/SW support & maintenance renewals +\$0.1 M - Outside services/studies +\$0.1 M - Employee training & business travel	-\$5.6 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$2.0 M - Common infrastructure -\$1.5 M - Contingent labor [Resource Management - Staffing Management] -\$0.3 M - Minor capital -\$0.2 M - Employee training & business travel +\$0.5 M - HW/SW support & maintenance renewals +\$0.2 M - Outside services/studies +\$0.1 M - WAN costs +\$0.1 M - HW/SW vendor support services [Resource Management - Project-Funded Work] +\$0.1 M - Data service subscriptions +\$0.1 M - Other miscellaneous
4 Chief Administrative Office	-\$0.9 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$0.2 M - Contingent labor [Resource Management - Staffing Management] +\$0.6 M - SPE M & N administration & servicing revenue +\$0.7 M - Insurance premiums +\$0.2 M - Property tax +\$0.3 M - Outside services/studies <u>Timing Differences</u> +\$0.2 M - Outside services/studies	-\$3.7 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$0.5 M - Contingent labor [Resource Management - Staffing Management] -\$0.2 M - Recruiting & pre-employment costs -\$0.1 M - Data service subscriptions -\$0.1 M - Software -\$0.1 M - Employee training & business travel +\$1.7 M - SPE M & N administration & servicing revenue +\$1.3 M - Insurance premiums +\$0.6 M - Property tax +\$0.3 M - Outside services/studies

Electric Reliability Council of Texas, Inc. 2023 Financial Summary Variance Explanations As of June 1, 2023		
Line	Year-to-Date (April 30)	Year-End (December 31)
5 General Counsel	-\$1.3 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$0.1 M - Rentals & leases +\$0.3 M - Outside services/studies <u>Timing Differences</u> +\$0.1 M - Board member expense	-\$2.9 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$2.8 M - Equipment & maintenance -\$2.0 M - Outside legal services -\$0.2 M - Board member expense -\$0.1 M - Minor capital -\$0.1 M - Rentals & leases -\$0.1 M - Electricity +\$0.8 M - Outside services/studies
6 System Operations	-\$1.5 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$0.1 M - Contingent labor [Resource Management - Staffing Management] +\$0.1 M - Data service subscriptions <u>Timing Differences</u> +\$0.1 M - Black start training & operator training seminar expense	-\$4.0 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$0.2 M - Contingent labor [Resource Management - Staffing Management] -\$0.1 M - Software +\$0.3 M - Data service subscriptions +\$0.2 M - Black start training revenue +\$0.1 M - Other miscellaneous
7 Commercial Operations	-\$0.6 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$0.1 M - Contingent labor [Resource Management - Staffing Management] -\$0.1 M - Outside services/studies	-\$0.9 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$0.3 M - Contingent labor [Resource Management - Staffing Management] -\$0.3 M - Outside services/studies -\$0.1 M - Data service subscriptions
8 System Planning & Weatherization	-\$2.3 M - Inspection revenue -\$1.1 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$0.3 M - Contingent labor [Resource Management - Staffing Management] -\$0.1 M - Interconnection revenue +\$2.1 M - Inspection costs <u>Timing Differences</u> -\$0.5 M - Interconnection revenue +\$0.1 M - Outside services/studies	-\$5.9 M - Inspection revenue -\$4.8 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$1.4 M - Contingent labor [Resource Management - Staffing Management] -\$1.0 M - Outside services/studies -\$0.1 M - Minor capital -\$0.1 M - Interconnection revenue +\$5.3 M - Inspection costs
9 Public Affairs	+\$0.4 M - Outside services/studies -\$0.3 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management]	+\$0.9 M - Outside services/studies -\$0.8 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management]
10 Chief Executive Office	-\$1.3 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$0.1 M - Outside services/studies	-\$1.7 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management] -\$0.4 M - Outside services/studies
11 Project Funded Labor	-\$0.2 M - Multiple projects [Resource Management - Project-Funded Work]	-\$1.3 M - Multiple projects [Resource Management - Project-Funded Work]
15 Project Expenditures	+\$3.2 M - All projects	-\$7.6 M - All projects
16 Interest Expense	+\$0.2 M - Revolver -\$0.1 M - Capitalized interest	+\$0.3 M - Revolver -\$0.2 M - Capitalized interest
17 Interest Income	+\$33.7 M - Interest rate	+\$77.4 M - Interest rate

Electric Reliability Council of Texas
2023 Staffing Management Variance to Budget
As of June 1, 2023
(\$ in Millions)



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

Line	Project	Year-to-Date As of April 30, 2023		Year-End (YE) As of June 1, 2023		Life-to-Date As of April 30, 2023		Estimate -at-Completion (EAC) As of June 1, 2023			
		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	\$ 6.7	50%	\$ 13.4	36%	\$ 49.0	82%	\$ 59.8	35%	\$ 63.0	\$ 3.2
2	Market Design	0.0	0%	2.4	6%	0.8	2%	50.0	29%	50.0	0.0
3	Energy Management System (EMS) Upgrade 2024	1.4	21%	6.7	18%	14.2	73%	19.6	11%	20.0	0.4
4	Grid Geospatial (Grid Geo) Program	(0.0)	(9%)	0.3	1%	7.9	90%	8.7	5%	8.6	(0.2)
5	Bulk Electrical System (BES) Active Directory Isolation	0.2	93%	0.2	1%	2.9	99%	2.9	2%	2.9	(0.0)
6	Market Management System (MMS) Outage Scheduler (OS) Red Hat Enterprise Linux (RHEL) Migration	0.0	2%	1.9	5%	0.0	1%	2.7	2%	2.7	0.0
7	Network Model Management System (NMMS) Tech Health	0.1	136%	0.1	0%	2.6	101%	2.6	1%	2.6	(0.0)
8	Treasury Management Risk Mitigation	0.4	22%	1.7	5%	0.5	23%	2.3	1%	2.3	0.0
9	Total Projects with EAC Budget Over \$2.0M	8.8	33%	26.8	72%	78.0	52%	148.6	87%	152.0	3.5
10	Other Projects	(2.2)	(22%)	10.3	28%	6.6	28%	23.2	13%	27.6	4.4
11	Total Project Expenditures	\$ 6.6	18%	\$ 37.1	100%	\$ 84.6	49%	\$ 171.7	100%	\$ 179.6	\$ 7.9

Note: Schedule may not foot due to rounding

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
Statements of Financial Position
As of April 30, 2023 and 2022
(Dollars in Thousands)

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,624,426	\$ 1,287,938
Accounts receivable	3,274	2,625
Unbilled revenue	5,742	3,802
Interest receivable	11,960	241
Receivable from intercompany	217	-
Restricted cash and cash equivalents	1,121,278	1,042,340
Short-term investments	513,642	-
Prepaid expenses and other current assets	42,887	29,863
Total current assets	3,323,426	2,366,809
Long-term investments	14,579	4,000
Property and equipment, net	145,350	111,502
Systems under development	34,940	43,626
Other long term assets	827	724
Total assets	\$ 3,519,122	\$ 2,526,661
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 2,388	\$ 4,767
Accrued liabilities	22,124	17,146
Payable to intercompany	384	-
Finance lease liabilities current	-	12,446
Deferred revenue	8,025	2,205
Market settlement liabilities	1,136,902	560,390
Security deposits	1,121,274	1,042,340
Debt payable, current portion	4,000	4,000
Total current liabilities	2,295,097	1,643,294
Long-term liabilities:		
Debt payable, less current portion:		
Principal	34,000	38,000
Less unamortized debt issuance costs	133	150
Debt payable less current portion and unamortized debt issuance	33,867	37,850
Long-term CRR liabilities	1,021,481	722,767
Other long-term liabilities	582	588
Total long-term liabilities	1,055,930	761,205
Total liabilities	3,351,027	2,404,499
Net assets without donor restrictions	168,095	122,162
Total liabilities and net assets	\$ 3,519,122	\$ 2,526,661

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
Statements of Activities and Net Assets
For the Four Months Ended April 30, 2023 and 2022
(Dollars in Thousands)

	2023	2022
Operating revenues		
System administration fees	\$ 69,742	\$ 70,154
Other services revenue	4,541	4,352
Total operating revenues	74,283	74,506
Operating expenses		
Salaries and related benefits	56,420	44,410
Facility and equipment costs	3,073	3,380
Outside services	6,675	11,080
Hardware and software maintenance and licensing	13,071	10,928
Depreciation	11,025	8,372
Other	4,362	4,494
Total operating expenses	94,626	82,664
Loss from operations	(20,343)	(8,158)
Other income (expense)		
Investment return, net	33,735	342
Interest expense	(400)	(497)
Non-operating income	1	-
Change in net assets without donor restrictions	12,993	(8,313)
Net assets without donor restrictions, beginning of year	155,102	130,475
Net assets without donor restrictions, end of period	\$ 168,095	\$ 122,162

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
Statements of Cash Flows
For the Four Months Ended April 30, 2023 and 2022
(Dollars in Thousands)

	2023	2022
Operating activities:		
Change in net assets without donor restrictions	\$ 12,993	\$ (8,313)
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:		
Depreciation/amortization of assets	11,025	8,372
Amortization of debt issuance costs	5	6
Repayments of interest portion of finance lease liabilities	-	(6)
Amortization of bond (discount) premium	(5,381)	-
Unrealized losses on bond investments	(2,052)	-
Changes in operating assets and liabilities:		
Accounts receivable	2,351	2,431
Unbilled revenue	(543)	2,149
Interest receivable	(737)	(234)
Receivable from intercompany	717	-
Prepaid expenses and other assets	(6,743)	(4,489)
Other long-term assets	74	143
Other long-term liabilities	(161)	(71)
Accounts payable	(5,251)	1,641
Accrued liabilities	3,280	(5,576)
Payable to intercompany	(382,363)	-
Deferred revenue	355	(867)
Security deposits	(277,287)	(33,203)
Market settlement liabilities	(366,768)	(26,494)
Long-term CRR liabilities	175,895	234,173
Net cash (used in) provided by operating activities	(840,591)	169,662
Investing activities:		
Purchase of investments	(151,200)	-
Proceeds from investments	150,010	-
Capital expenditures for property and equipment and systems under development	(12,162)	(9,059)
Net cash (used in) investing activities	(13,352)	(9,059)
Financing activities:		
Repayment of debt payable	(1,000)	(1,000)
Repayments of principal portion of finance lease liabilities	-	(135)
Net cash (used in) financing activities	(1,000)	(1,135)
Net (decrease) increase in cash, cash equivalents, and restricted cash and cash equivalents	(854,943)	159,468
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year	3,600,647	2,170,810
Cash, cash equivalents, and restricted cash and cash equivalents, end of period	\$ 2,745,704	\$ 2,330,278

ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Financial Position
As of April 30, 2023
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M	Texas Electric Market Stabilization Funding N	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,624,426	\$ 4,043	\$ -	\$ -	\$ 1,628,469
Securitization charges receivable, current	-	9,369	42,304	-	51,673
Accounts receivable	3,274	-	-	-	3,274
Unbilled revenue	5,742	-	-	(414)	5,328
Interest receivable	11,960	118	175	-	12,253
Receivable from intercompany	217	4	380	(601)	-
Restricted cash and cash equivalents	1,121,278	27,844	51,537	-	1,200,659
Short-term investments	513,642	-	-	-	513,642
Prepaid expenses and other current assets	42,887	4	-	-	42,891
Total current assets	3,323,426	41,382	94,396	(1,015)	3,458,189
Long-term investments	14,579	-	-	(14,579)	-
Property and equipment, net	145,350	-	-	-	145,350
Systems under development	34,940	-	-	-	34,940
Securitization charges receivable, non current	-	389,093	2,035,278	-	2,424,371
Other long term assets	827	-	-	-	827
Total assets	\$ 3,519,122	\$ 430,475	\$ 2,129,674	\$ (15,594)	\$ 6,063,677
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	\$ 2,388	\$ 3	\$ -	\$ -	\$ 2,391
Accrued liabilities	22,124	5,223	27,485	-	54,832
Payable to intercompany	384	185	446	(1,015)	-
Deferred revenue	8,025	-	-	-	8,025
Market settlement liabilities	1,136,902	-	-	-	1,136,902
Security deposits	1,121,274	19,273	3,313	-	1,143,860
Debt payable, current portion	4,000	10,110	41,874	-	55,984
Total current liabilities	2,295,097	34,794	73,118	(1,015)	2,401,994
Long-term liabilities:					
Debt payable, less current portion:					
Principal	34,000	393,690	2,059,019	-	2,486,709
Less unamortized discount and debt issuance costs	133	2,009	13,042	-	15,184
Debt payable less current portion and unamortized discount and debt issuance	33,867	391,681	2,045,977	-	2,471,525
Long-term CRR liabilities	1,021,481	-	-	-	1,021,481
Other long-term liabilities	582	-	-	-	582
Total long-term liabilities	1,055,930	391,681	2,045,977	-	3,493,588
Total liabilities	3,351,027	426,475	2,119,095	(1,015)	5,895,582
Net assets without donor restrictions	168,095	4,000	10,579	(14,579)	168,095
Total liabilities and net assets	\$ 3,519,122	\$ 430,475	\$ 2,129,674	\$ (15,594)	\$ 6,063,677

ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Activities and Net Assets
For the Four Months Ended April 30, 2023
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M	Texas Electric Market Stabilization Funding N	Eliminations	Consolidated
Operating revenues					
System administration fees	\$ 69,742	\$ -	\$ -	\$ -	\$ 69,742
Other services revenue	4,541	-	-	(553)	3,988
Securitization charges fees	-	5,069	34,076	-	39,145
Total operating revenues	74,283	5,069	34,076	(553)	112,875
Operating expenses					
Salaries and related benefits	56,420	-	-	-	56,420
Facility and equipment costs	3,073	-	-	-	3,073
Outside services	6,675	280	408	(553)	6,810
Hardware and software maintenance and licensing	13,071	-	-	-	13,071
Depreciation	11,025	-	-	-	11,025
Other	4,362	2	-	-	4,364
Total operating expenses	94,626	282	408	(553)	94,763
(Loss) income from operations	(20,343)	4,787	33,668	-	18,112
Other income (expense)					
Investment return, net	33,735	206	489	-	34,430
Interest expense	(400)	(4,993)	(34,157)	-	(39,550)
Non-operating income	1	-	-	-	1
Change in net assets without donor restrictions	12,993	-	-	-	12,993
Net assets without donor restrictions, beginning of year	155,102	4,000	10,579	(14,579)	155,102
Net assets without donor restrictions, end of period	\$ 168,095	\$ 4,000	\$ 10,579	\$ (14,579)	\$ 168,095

ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Cash Flows
For the Four Months Ended April 30, 2023
(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	\$ 12,993	\$ -	\$ -	\$ -	\$ 12,993
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:					
Depreciation/amortization of assets	11,025	-	-	-	11,025
Amortization of discount & debt issuance costs	5	25	249	-	279
Amortization of bond investment discount	(5,381)	-	-	-	(5,381)
Unrealized losses on bond investments	(2,052)	-	-	-	(2,052)
Changes in operating assets and liabilities:					
Securitization charges receivable	-	3,836	12,153	379	16,368
Accounts receivable	2,351	-	-	-	2,351
Unbilled revenue	(543)	-	1,843	(594)	706
Interest receivable	(737)	89	357	-	(291)
Receivable from intercompany	717	382,289	454	(383,460)	-
Prepaid expenses and other assets	(6,743)	(2)	-	-	(6,745)
Other long-term assets	74	-	-	-	74
Other long-term liabilities	(161)	-	-	-	(161)
Accounts payable	(5,251)	(1)	-	-	(5,252)
Accrued liabilities	3,280	(6,697)	(28,565)	-	(31,982)
Payable to intercompany	(382,363)	(238)	(353)	382,954	-
Deferred revenue	355	-	-	-	355
Security deposits	(277,287)	708	274	-	(276,305)
Market settlement liabilities	(366,768)	-	-	-	(366,768)
Long-term CRR liabilities	175,895	-	-	-	175,895
Net cash (used in) provided by operating activities	(840,591)	380,009	(13,588)	(721)	(474,891)
Investing activities:					
Purchase of investments	(151,200)	-	-	-	(151,200)
Proceeds from investments	150,010	-	-	-	150,010
Capital expenditures for property and equipment and systems under development	(12,162)	-	-	-	(12,162)
Net cash (used in) investing activities	(13,352)	-	-	-	(13,352)
Financing activities:					
Repayment of debt payable	(1,000)	(391,956)	(14,807)	-	(407,763)
Payment of debt issuance costs	-	(213)	(508)	721	-
Net cash (used in) provided by financing activities	(1,000)	(392,169)	(15,315)	721	(407,763)
Net (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	(854,943)	(12,160)	(28,903)	-	(896,006)
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year	3,600,647	44,047	80,440	-	3,725,134
Cash, cash equivalents, and restricted cash and cash equivalents, end of period	\$ 2,745,704	\$ 31,887	\$ 51,537	\$ -	\$ 2,829,128

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

	ERCOT	Texas Electric Market Stabilization Funding M	Eliminations	Consolidated
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,287,938	\$ 4,001	\$ -	\$ 1,291,939
Securitization charges receivable, current	-	17,623	-	17,623
Accounts receivable	2,625	-	-	2,625
Unbilled revenue	3,802	-	(250)	3,552
Interest receivable	241	-	-	241
Restricted cash and cash equivalents	1,042,340	81,045	-	1,123,385
Prepaid expenses and other current assets	29,863	7	-	29,870
Total current assets	2,366,809	102,676	(250)	2,469,235
Long-term investments	4,000	-	(4,000)	-
Property and equipment, net	111,502	-	-	111,502
Systems under development	43,626	-	-	43,626
Securitization charges receivable, non current	-	777,672	-	777,672
Other long term assets	724	-	-	724
Total assets	\$ 2,526,661	\$ 880,348	\$ (4,250)	\$ 3,402,759
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	\$ 4,767	\$ 26	\$ -	\$ 4,793
Accrued liabilities	17,146	11,589	-	28,735
Payable to intercompany	-	250	(250)	-
Finance lease liabilities current	12,446	-	-	12,446
Deferred revenue	2,205	-	-	2,205
Market settlement liabilities	560,390	-	-	560,390
Security deposits	1,042,340	66,359	-	1,108,699
Debt payable, current portion	4,000	13,912	-	17,912
Total current liabilities	1,643,294	92,136	(250)	1,735,180
Long-term liabilities:				
Debt payable, less current portion:				
Principal	38,000	786,088	-	824,088
Less unamortized discount and debt issuance costs	150	1,876	-	2,026
Debt payable less current portion and unamortized discount and debt issuance	37,850	784,212	-	822,062
Long-term CRR liabilities	722,767	-	-	722,767
Other long-term liabilities	588	-	-	588
Total long-term liabilities	761,205	784,212	-	1,545,417
Total liabilities	2,404,499	876,348	(250)	3,280,597
Net assets without donor restrictions	122,162	4,000	(4,000)	122,162
Total liabilities and net assets	\$ 2,526,661	\$ 880,348	\$ (4,250)	\$ 3,402,759

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

	ERCOT	Texas Electric Market Stabilization Funding M	Eliminations	Consolidated
Operating revenues				
System administration fees	\$ 70,154	\$ -	\$ -	\$ 70,154
Other services revenue	4,352	-	(167)	4,185
Securitization charges fees	-	8,150	-	8,150
Total operating revenues	74,506	8,150	(167)	82,489
Operating expenses				
Salaries and related benefits	44,410	-	-	44,410
Facility and equipment costs	3,380	-	-	3,380
Outside services	11,080	176	(167)	11,089
Hardware and software maintenance and licensing	10,928	-	-	10,928
Depreciation	8,372	-	-	8,372
Other	4,494	-	-	4,494
Total operating expenses	82,664	176	(167)	82,673
(Loss) income from operations	(8,158)	7,974	-	(184)
Other income (expense)				
Investment return, net	342	-	-	342
Interest expense	(497)	(7,974)	-	(8,471)
Non-operating income	-	-	-	-
Change in net assets without donor restrictions	(8,313)	-	-	(8,313)
Net assets without donor restrictions, beginning of year	130,475	4,000	(4,000)	130,475
Net assets without donor restrictions, end of period	\$ 122,162	\$ 4,000	\$ (4,000)	\$ 122,162

ELECTRIC RELIABILITY COUNCIL OF TEXAS
Consolidated Statements of Cash Flows
For the Four Months Ended April 30, 2022
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M	Eliminations	Consolidated
Operating activities:				
Change in net assets without donor restrictions	\$ (8,313)	\$ -	\$ -	\$ (8,313)
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:				
Depreciation/amortization of assets	8,372	-	-	8,372
Amortization of debt issuance costs	6	23	-	29
Repayments of interest portion of finance lease liabilities	(6)	-	-	(6)
Changes in operating assets and liabilities:				
Securitization charges receivable	-	2,799	-	2,799
Accounts receivable	2,431	-	-	2,431
Unbilled revenue	2,149	3,264	167	5,580
Interest receivable	(234)	-	-	(234)
Prepaid expenses and other assets	(4,489)	8	-	(4,481)
Other long-term assets	143	-	-	143
Other long-term liabilities	(71)	-	-	(71)
Accounts payable	1,641	-	-	1,641
Accrued liabilities	(5,576)	8,426	-	2,850
Payable to intercompany	-	167	(167)	-
Deferred revenue	(867)	-	-	(867)
Security deposits	(33,203)	5,940	-	(27,263)
Market settlement liabilities	(26,494)	-	-	(26,494)
Long-term CRR liabilities	234,173	-	-	234,173
Net cash provided by operating activities	169,662	20,627	-	190,289
Investing activities:				
Capital expenditures for property and equipment and systems under development	(9,059)	-	-	(9,059)
Net cash (used in) investing activities	(9,059)	-	-	(9,059)
Financing activities:				
Repayment of debt payable	(1,000)	-	-	(1,000)
Repayments of principal portion of finance lease liabilities	(135)	-	-	(135)
Net cash (used in) financing activities	(1,135)	-	-	(1,135)
Net increase in cash, cash equivalents, and restricted cash and cash equivalents	159,468	20,627	-	180,095
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	\$ 2,330,278	\$ 85,046	\$ -	\$ 2,415,324