



Item 4.2: Periodic Report on Investments

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 a periodic review of investment compliance and performance
- **Voting Items / Requests**
 - No action is requested of the F&A Committee or Board; for discussion only

- **Key Takeaways**
 - ERCOT is in compliance with all investment requirements
 - As previously discussed, ERCOT's investment yields continue to increase. As of the end of April 2023, ERCOT's Money Market Mutual Fund (MMMF) yields equaled approximately 4.66% and the purchase yield of ERCOT's U.S. Treasury Obligation Portfolio equaled approximately 4.08%

Investment Compliance

Money Market Mutual Funds (MMMF)	Compliance
Credit analysis reviewed by Investment Officer. MMMF must maintain a minimum rating consistent with the U.S. Government.	Yes
100% treasury analysis reviewed by Investment Officers. MMMF invested in U.S. Treasury Securities or a combination of U.S. Treasury Securities and repurchase agreements backed by U.S. Treasury Securities.	Yes
Concentration analysis reviewed by Investment Officers. No more than 10% of investable funds will be maintained in any one ERCOT Inc. MMMF.	Yes
Each MMMF has assets under management of at least \$1 billion.	Yes
There are no direct investments in any of the institutions listed in the divestment provisions as outlined in Texas Government Code Chapter 809.	Yes
There are no MMMF listed in the divestment provisions as outlined in Texas Government Code Chapter 809.	Yes

Investment Compliance

U.S. Treasury Obligation Portfolio	Compliance
Review the portfolio to ensure investments are matched with anticipated cash flow requirements and in compliance with the Investment Management Agreement.	Yes
Investments will have a legal final maturity of not more than three years.	Yes
There are no direct investments in any of the institutions listed in the divestment provisions as outlined in Texas Government Code Chapter 809.	Yes
There are no money market mutual funds listed in the divestment provisions as outlined in Texas Government Code Chapter 809.	Yes

Electric Reliability Council of Texas, Inc.
Investment Compliance
April 30, 2023
(\$ in 000's)

	Funds Held at ERCOT (Ending Balance)	Funds Held at Trustee (Ending Balance)	Month End Yield	Monthly Investment Income
Money Market Mutual Funds (MMMF)				
ERCOT, Inc. Unrestricted	\$ 1,632,907	\$ -	N/A	\$ 6,291
ERCOT, Inc. Restricted (Collateral)	1,109,876	-	N/A	4,446
Total ERCOT, Inc. MMMF	\$ 2,742,783	\$ -	4.66%	\$ 10,737
Texas Electric Market Stabilization Funding M, LLC	\$ 17,838	\$ 13,792	4.70%	\$ 118
Texas Electric Market Stabilization Funding N, LLC	\$ 2,793	\$ 48,225	4.70%	\$ 175
U.S. Treasury Obligation Portfolio	Purchase Price	Duration	Purchase Yield	Monthly Investment Income
ERCOT, Inc. Unrestricted	\$ 506,551	0.28	4.08%	\$ 1,660

Statement of Compliance

Upon a review of the investment activity, I have no knowledge of any ERCOT action that does not comply with that required by the Investment Corporate Standard since the last report provided to the Finance and Audit Committee.

Money Market Mutual Funds (MMMF)

- Credit analysis must maintain a minimum rating consistent with the U.S. Government.
- 100% treasury analysis reviewed by Investment Officers. MMMF invested in U.S. Treasury Securities or a combination of U.S. Treasury Securities and repurchase agreements backed by U.S. Treasury Securities.
- Concentration analysis reviewed by Investment Officers. No more than 10% of investable funds will be maintained in any one ERCOT, Inc. MMMF.
- Each MMMF has assets under management of at least \$1 billion.
- There are no direct investments in any of the institutions listed in the divestment provisions as outlined in Texas Government Code Chapter 809.
- There are no MMMF listed in the divestment provisions as outlined in Texas Government Code Chapter 809.

U.S. Treasury Obligation Portfolio

- Review the portfolio to ensure investments are matched with anticipated cash flow requirements and in compliance with the Investment Management Agreement.
- Investments will have a legal final maturity of not more than three years.
- There are no direct investments in any of the institutions listed in the divestment provisions as outlined in Texas Government Code Chapter 809.
- There are no MMMF listed in the divestment provisions as outlined in Texas Government Code Chapter 809.

Signature on File

Sean Taylor Vice President and CFO

Note: Investment monthly holdings are available for review upon request.

Note: Schedule may not foot due to rounding.



Investment Compliance

Appendices

Electric Reliability Council of Texas, Inc.
Money Market Mutual Funds (MMMF)
April 30, 2023
(\$ in 000's)

MMMF	Unrestricted	Restricted	Total Ending	Percentage	Month	Unrestricted	Restricted	Total
	Ending Balance	Ending Balance	Balance	of Portfolio	End Yield	Monthly Investment Income	Monthly Investment Income	Monthly Investment Income
Allspring 100% Treasury Money Market Fund (Admin)	\$ -	\$ 310	\$ 310	0.0%	4.47%	\$ -	\$ 1	\$ 1
Allspring Treasury Plus Money Market Fund (Institutional)	700	234,456	235,156	8.6%	4.59%	3	888	890
BlackRock Institutional T-Fund (60) MMF	221,610	8,266	229,876	8.4%	4.70%	564	238	802
BlackRock Institutional Treasury Trust Fund MMF	1,050	475	1,525	0.1%	4.50%	4	2	6
Dreyfus Treasury Prime Cash Management MMF	11,796	167,197	178,993	6.5%	4.27%	43	609	652
Federated Fund 0125 US Treasury Cash Reserves Fund	600	619	1,219	0.0%	4.38%	2	2	4
Federated Fund 068 Treasury Obligations Fund	700	215,110	215,810	7.9%	4.68%	3	869	872
Fidelity 680 Institutional MMF: Treasury Only Portfolio	500	232	732	0.0%	4.27%	2	1	3
Fidelity Investments Money Market Treasury Portfolio (Class I)	242,600	670	243,270	8.9%	4.74%	971	3	974
First Amer Treas Oblig/CI Z	233,950	277	234,227	8.5%	4.70%	935	1	936
Goldman Sachs Treasury Instruments Fund 506	1,000	118,201	119,201	4.3%	4.38%	91	439	530
Invesco Institutional Treasury Portfolio	247,278	499	247,777	9.0%	4.75%	978	2	980
JPMorgan U.S. Treasury Plus Money Market Fund (Institutional)	234,978	5,285	240,263	8.8%	4.72%	948	12	959
Morgan Stanley Fund 8304 Treasury	176,990	35,840	212,830	7.8%	4.68%	743	40	783
State Street Global Advisors Institutional Treasury MMF	200	122,918	123,118	4.5%	4.72%	1	579	580
UBS Select Treasury Preferred Fund 46	248,955	575	249,530	9.1%	4.75%	966	2	968
Western Asset Institutional US Treasury Reserves	10,000	198,945	208,945	7.6%	4.69%	38	758	796
Total MMMF	\$ 1,632,907	\$ 1,109,876	\$ 2,742,783	100%	4.66%	\$ 6,291	\$ 4,446	\$ 10,737

Note: Schedule may not foot due to rounding.

Texas Electric Market Stabilization Funding M, LLC
Money Market Mutual Funds (MMMF)

April 30, 2023

(\$ in 000's)

	Ending Balance	Month End Yield	Monthly Investment Income
MMMF held at ERCOT, Inc.			
Capital			
JPMorgan U.S. Treasury Plus Money Market Fund (Institutional)	\$ 4,043	4.68%	\$ 15
	4,043	4.68%	15
Escrow (Collateral)			
BlackRock Liquidity Funds: T-Fund	3,132	4.70%	12
Invesco Treasury Portfolio	3,487	4.72%	14
Morgan Stanley Institutional Liquidity Funds: Treasury Portfolio	3,639	4.68%	14
UBS Select Treasury Preferred Fund	3,537	4.75%	14
Total Escrow (Collateral) MMMF	13,795	4.71%	53
Total MMMF held at ERCOT, Inc.	17,838	4.70%	69
MMMF held at Trustee			
Debt Service			
First Am Treas Ob Fund	6,220	4.72%	21
Invesco Treasury Portfolio/Instit	2,351	4.77%	9
Total Debt Service MMMF	8,571	4.74%	30
Debt Service Reserve			
Allspring Treasury Plus Money Market Fund (Institutional)	4,044	4.68%	15
JPMorgan TR I 100 US TR Cap	1,177	4.47%	4
Total Debt Service Reserve MMMF	5,221	4.57%	20
Total MMMF held at Trustee	13,792	4.69%	49
Total TEMSFM MMMF	\$ 31,631	4.70%	\$ 118

Note: Schedule may not foot due to rounding.



Texas Electric Market Stabilization Funding N, LLC
Money Market Mutual Funds (MMMF)

April 30, 2023

(\$ in 000's)

	Ending Balance	Month End Yield	Monthly Investment Income
MMMF held at ERCOT, Inc.			
Escrow (collateral)			
BlackRock Liquidity Funds: T-Fund	\$ 1,397	4.70%	\$ 5
Morgan Stanley Institutional Liquidity Funds: Treasury Portfolio	1,397	4.68%	5
Total MMMF held at ERCOT, Inc.	2,793	4.69%	11
MMMF held at Trustee			
Debt Service			
Invesco Treasury Portfolio Institutional	37,533	4.77%	125
Total Debt Service MMMF	37,533	4.77%	125
Capital			
JPMorgan TR I 100 US TR Cap	10,691	4.47%	39
Total Capital MMMF	10,691	4.47%	39
Total MMMF held at Trustee	48,225	4.70%	165
Total TEMSFN MMMF	\$ 51,018	4.70%	\$ 175

Note: Schedule may not foot due to rounding.

Electric Reliability Council of Texas, Inc.
Summary of U.S. Treasury Obligation Portfolio Results
April 30, 2023
(\$ in 000's)

Maturity Date	Par Value	Coupon Rate	Current Market Price	Current Market Yield	Purchase Price	Discount / (Premium)	Purchase Yield	Monthly Investment Income	Duration
04/30/23	\$ 50,000	0.125%	\$ 50,000	0.00%	\$ 48,989	\$ 1,011	3.37%	\$ 109	-
05/31/23	50,000	0.125%	49,844	4.42%	48,857	1,143	3.36%	139	0.05
06/30/23	101,495	0.125%	100,735	4.86%	99,223	2,272	4.10%	344	0.13
07/31/23	101,435	0.125%	100,230	4.98%	98,932	2,503	4.26%	355	0.22
08/31/23	50,000	0.125%	49,200	5.06%	48,343	1,657	3.59%	147	0.30
09/30/23	50,000	1.375%	49,322	4.97%	49,189	811	3.51%	145	0.38
10/31/23	63,525	2.875%	63,818	4.89%	62,623	902	4.64%	244	0.46
11/30/23	51,650	0.500%	50,424	4.94%	50,348	1,302	4.69%	177	0.54
Cash	46	-	46	0.00%	46	46	0.00%	-	-
Total Investments	\$518,151	0.624%	\$ 513,618	3.92%	\$506,551	\$ 11,646	4.08%	\$ 1,660	0.28

Note: Schedule may not foot due to rounding.

