



Item 6.2: Periodic Report on Investments

Sean Taylor

Vice President and Chief Financial Officer

Finance and Audit Committee Meeting

ERCOT Public

December 18, 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
 - ERCOT's Money Market Mutual Fund (MMMF) investment yields are consistent with the August yields reported at the prior F&A meeting. As of the end of October 2023, ERCOT's MMMF yields equaled approximately 5.24% and the purchase yield of ERCOT's U.S. Treasury Obligation Portfolio equaled approximately 5.36%

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

Key Takeaway: ERCOT is in compliance with all MMMF investment requirements

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

Key Takeaway: ERCOT is in compliance with all U.S. Treasury Obligation Portfolio investment requirements

Electric Reliability Council of Texas, Inc.
Investment Compliance
October 31, 2023

(\$ in 000's)

Money Market Mutual Funds (MMMF)	Funds Held at ERCOT (Ending Balance)	Funds Held at Trustee (Ending Balance)	Month End Yield	Monthly Investment Income
ERCOT, Inc. Unrestricted	\$ 449,911	\$ -	N/A	\$ 1,824
ERCOT, Inc. Restricted (Collateral)	1,586,702	-	N/A	7,858
Total ERCOT, Inc. MMMF	<u>\$ 2,036,613</u>	<u>\$ -</u>	5.24%	<u>\$ 9,682</u>
Texas Electric Market Stabilization Funding M, LLC	\$ 17,693	\$ 12,218	5.23%	\$ 129
Texas Electric Market Stabilization Funding N, LLC	\$ 3,144	\$ 49,304	5.26%	\$ 209

U.S. Treasury Obligation Portfolio	Purchase Price	Duration	Purchase Yield	Monthly Investment Income
ERCOT, Inc. Unrestricted	\$ 1,854,960	0.95	5.36%	\$ 7,793

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)
October 31, 2023
(\$ in 000's)

	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
MMMF								
Allspring 100% Treasury Money Market Fund (Admin)	\$ -	\$ 318	\$ 318	0.0%	5.14%	\$ -	\$ 1	\$ 1
Allspring Treasury Plus Money Market Fund (Institutional)	100	194,434	194,534	9.6%	5.21%	0	835	836
BlackRock Institutional T-Fund (60) MMF	510	176,282	176,792	8.7%	5.22%	2	828	831
BlackRock Institutional Treasury Trust Fund MMF	50	486	536	0.0%	5.27%	0	2	2
Dreyfus Treasury Prime Cash Management MMF	400	188,253	188,653	9.3%	5.27%	2	843	845
Federated Fund 0125 US Treasury Cash Reserves Fund	300	634	934	0.0%	5.23%	1	3	4
Federated Fund 068 Treasury Obligations Fund	700	162,658	163,358	8.0%	5.22%	3	810	813
Fidelity 680 Institutional MMF: Treasury Only Portfolio	500	239	739	0.0%	5.28%	2	1	3
Fidelity Investments Money Market Treasury Portfolio (Class I)	156,800	756	157,556	7.7%	5.26%	753	3	757
First Amer Treas Oblig/CI Z	50	294	344	0.0%	5.23%	0	1	2
Goldman Sachs Treasury Instruments Fund 506	800	181,376	182,176	8.9%	5.27%	4	813	817
Invesco Institutional Treasury Portfolio	3,078	173,181	176,259	8.7%	5.27%	84	757	841
JPMorgan U.S. Treasury Plus Money Market Fund (Institutional)	25,178	168,163	193,341	9.5%	5.20%	116	761	877
Morgan Stanley Fund 8304 Treasury	990	166,884	167,874	8.2%	5.21%	4	826	830
State Street Global Advisors Institutional Treasury MMF	159,200	447	159,647	7.8%	5.29%	716	2	718
UBS Select Treasury Preferred Fund 46	100,755	371	101,126	5.0%	5.27%	132	606	738
Western Asset Institutional US Treasury Reserves	500	171,925	172,425	8.5%	5.26%	2	764	766
Total MMMF	\$ 449,911	\$ 1,586,702	\$ 2,036,613	100%	5.24%	\$ 1,824	\$ 7,858	\$ 9,682

Note: Schedule may not foot due to rounding.



October 31, 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)	\$ 4,052	5.17%	\$ 18
	4,052	5.17%	18
Escrow (Collateral)			
BlackRock Liquidity Funds: T-Fund	2,910	5.22%	13
Invesco Treasury Portfolio	3,576	5.24%	16
Morgan Stanley Institutional Liquidity Funds: Treasury Portfolio	3,527	5.21%	16
UBS Select Treasury Preferred Fund	3,628	5.27%	16
Total Escrow (Collateral) MMMF	13,641	5.24%	61
Total MMMF held at ERCOT, Inc.	17,693	5.22%	78
MMMF held at Trustee			
Debt Service			
First Am Treas Ob Fund	4,717	5.24%	17
Invesco Treasury Portfolio/Instit	1,761	5.27%	8
Total Debt Service MMMF	6,478	5.25%	25
Debt Service Reserve			
Allspring Treasury Plus Money Market Fund (Institutional)	4,053	5.23%	18
JPMorgan TR I 100 US TR Cap	1,686	5.26%	7
Total Debt Service Reserve MMMF	5,740	5.24%	25
Total MMMF held at Trustee	12,218	5.24%	51
Total TEMSFM MMMF	\$ 29,911	5.23%	\$ 129

Note: Schedule may not foot due to rounding.



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

October 31, 2023

(\$ in 000's)

	Ending Balance	Month End Yield	Monthly Investment Income
MMMF held at ERCOT, Inc.			
Escrow (collateral)			
BlackRock Liquidity Funds: T-Fund	\$ 1,560	5.22%	\$ 7
Morgan Stanley Institutional Liquidity Funds: Treasury Portfolio	1,585	5.21%	7
Total MMMF held at ERCOT, Inc.	3,144	5.22%	14
 MMMF held at Trustee			
Debt Service			
Invesco Treasury Portfolio Institutional	36,538	5.27%	139
First Am Treas Ob Fund	2,048	5.24%	9
Total Debt Service MMMF	38,586	5.27%	148
Capital			
JPMorgan TR I 100 US TR Cap	10,717	5.26%	48
Total Capital MMMF	10,717	5.26%	48
 Total MMMF held at Trustee	 49,304	 5.27%	 195
 Total TEMSFN MMMF	 \$ 52,448	 5.26%	 \$ 209

Note: Schedule may not foot due to rounding.



Electric Reliability Council of Texas, Inc.
Summary of U.S. Treasury Obligation Portfolio Results
October 31, 2023
(\$ in 000's)

Maturity Month	Par Value	Coupon Rate	Current Market Value	Current Market Yield	Purchase Price	Discount / (Premium)	Purchase Yield	Monthly	Duration
								Investment Income	
Nov-23	\$ 154,360	0.168%	\$ 153,723	5.44%	\$ 151,604	\$ 2,756	5.16%	\$ 658	0.08
Dec-23	31,000	0.125%	30,804	5.51%	30,659	341	5.35%	137	0.12
Jan-24	51,000	0.000%	50,361	5.43%	50,107	893	5.39%	225	0.23
Feb-24	53,000	0.000%	52,116	5.47%	51,852	1,148	5.42%	234	0.30
Mar-24	108,000	2.125%	106,528	5.53%	106,245	1,755	5.43%	481	0.40
Apr-24	99,000	2.250%	97,418	5.56%	97,156	1,844	5.50%	447	0.48
May-24	75,000	2.000%	73,506	5.54%	73,275	1,725	5.53%	338	0.56
Jun-24	76,000	1.750%	74,145	5.56%	73,907	2,093	5.52%	340	0.65
Jul-24	104,675	1.750%	101,809	5.54%	100,725	3,950	5.40%	457	0.73
Aug-24	83,000	1.250%	80,163	5.51%	79,836	3,164	5.54%	369	0.81
Sep-24	81,000	1.500%	78,162	5.49%	77,868	3,132	5.51%	357	0.89
Oct-24	80,000	0.625%	76,431	5.50%	76,094	3,906	5.49%	348	0.93
Nov-24	58,000	1.500%	55,621	5.46%	55,440	2,560	5.44%	251	1.04
Dec-24	53,000	1.000%	50,487	5.42%	50,274	2,726	5.44%	228	1.08
Jan-25	64,000	1.375%	60,968	5.35%	60,698	3,302	5.42%	274	1.21
Feb-25	67,000	2.000%	64,260	5.35%	63,998	3,002	5.41%	289	1.24
Mar-25	70,000	2.625%	67,493	5.30%	67,274	2,726	5.35%	300	1.36
Apr-25	66,000	2.875%	63,767	5.25%	63,559	2,441	5.33%	284	1.44
May-25	37,000	2.125%	35,324	5.23%	35,189	1,811	5.30%	155	1.47
Jun-25	37,000	2.750%	35,584	5.18%	35,468	1,532	5.25%	155	1.58
Jul-25	34,000	0.250%	31,242	5.17%	31,076	2,924	5.21%	135	1.70
Aug-25	39,000	2.000%	36,925	5.15%	36,787	2,213	5.21%	160	1.71
Sep-25	37,000	3.000%	35,590	5.11%	35,500	1,500	5.15%	152	1.82
Oct-25	36,000	0.250%	32,736	5.09%	32,566	3,434	5.12%	139	1.94
Nov-25	19,000	0.375%	17,263	5.06%	17,272	1,728	5.03%	-	2.01
Dec-25	17,000	4.000%	16,643	5.05%	16,653	347	5.02%	-	1.97
Jan-26	21,000	0.375%	18,950	5.02%	18,962	2,038	4.99%	-	2.18
Feb-26	21,000	2.500%	19,861	5.00%	19,875	1,125	4.96%	-	2.20
Mar-26	21,000	2.250%	19,711	4.98%	19,725	1,275	4.95%	-	2.29
Apr-26	21,000	2.375%	19,737	4.97%	19,752	1,248	4.93%	-	2.37
FUZXX	205,565	-	205,565	5.23%	205,565	-	-	880	0.00
Total Investments	\$1,919,600	1.373%	\$ 1,862,889	5.18%	\$ 1,854,960	\$ 64,640	5.36%	\$ 7,793	0.95

Note: Schedule may not foot due to rounding.

