



## **Item 5.2: Periodic Report on Investments**

*Leslie Swanson*  
Treasurer and Controller

Finance and Audit Committee Meeting

ERCOT Public  
October 9, 2024

# 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's Money Market Mutual Fund (MMMF) investment yields are consistent with the June yields reported at the prior F&A meeting. As of the end of August 2024, ERCOT's MMMF yields equaled approximately 5.14% and the purchase yield of ERCOT's U.S. Treasury Obligation Portfolio equaled approximately 5.08%
- ERCOT is in compliance with all investment requirements for August.

# 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 investment requirements for August.

# 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**  
**August 31, 2024**  
(\$ in 000's)

**Money Market Mutual Funds (MMMF)**

ERCOT, Inc. Unrestricted

ERCOT, Inc. Restricted (Collateral)

Total ERCOT, Inc. MMMF

Texas Electric Market Stabilization Funding M, LLC

Texas Electric Market Stabilization Funding N, LLC

| Funds Held at<br>ERCOT<br>(Ending Balance) | Funds Held at<br>Trustee<br>(Ending Balance) | Month End<br>Yield | Monthly Investment<br>Income |
|--|--|--------------------|------------------------------|
| \$ 475,111                                 | \$ -   | N/A                | \$ 2,260                     |
| 1,500,845                                  | -  | N/A                | 6,681                        |
| <b>\$ 1,975,956</b>                        | <b>\$ -</b>                                  | <b>5.15%</b>       | <b>\$ 8,942</b>              |
| \$ 18,477                                  | \$ 9,293                                     | 5.14%              | \$ 117                       |
| \$ 3,157                                   | \$ 24,863                                    | 5.14%              | \$ 97                        |

**U.S. Treasury Obligation Portfolio**

ERCOT, Inc. Unrestricted

| Purchase Price | Duration | Purchase<br>Yield | Monthly Investment<br>Income |
|----------------|----------|-------------------|------------------------------|
| \$ 1,835,671   | 0.73     | 5.08%             | \$ 7,412                     |

**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 Senior Vice President, CFO, and CRO

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)**  
**August 31, 2024**  
(\$ 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 |
| <b>MMMF</b>  |                   |                     |                     |                |              |                           |                           |                           |
| Allspring 100% Treasury Money Market Fund (Admin)              | \$ -              | \$ 332              | \$ 332              | 0.02%          | 5.00%        | \$ -                      | \$ 1                      | \$ 1                      |
| Allspring Treasury Plus Money Market Fund (Institutional)      | 100               | 171,831             | 171,931             | 8.70%          | 5.13%        | 0                         | 750                       | 751                       |
| BlackRock Institutional T-Fund (60) MMF                        | 710               | 195,136             | 195,846             | 9.91%          | 5.18%        | 8                         | 754                       | 763                       |
| BlackRock Institutional Treasury Trust Fund MMF                | 50                | 508                 | 558                 | 0.03%          | 5.15%        | 0                         | 2                         | 2                         |
| Dreyfus Treasury Prime Cash Management MMF                     | 400               | 169,905             | 170,305             | 8.62%          | 5.13%        | 2                         | 743                       | 745                       |
| Federated Fund 0125 US Treasury Cash Reserves Fund             | 300               | 662                 | 962                 | 0.05%          | 5.10%        | 7                         | 3                         | 10                        |
| Federated Fund 068 Treasury Obligations Fund                   | 700               | 154,361             | 155,061             | 7.85%          | 5.13%        | 3                         | 743                       | 746                       |
| Fidelity 680 Institutional MMF: Treasury Only Portfolio        | 500               | 504                 | 1,004               | 0.05%          | 5.17%        | 2                         | 2                         | 4                         |
| Fidelity Investments Money Market Treasury Portfolio (Class I) | 142,500           | 574                 | 143,074             | 7.24%          | 5.19%        | 564                       | 156                       | 720                       |
| First Amer Treas Oblig/CI Z                                    | 50                | 690                 | 740                 | 0.04%          | 5.13%        | 0                         | 3                         | 3                         |
| Goldman Sachs Treasury Instruments Fund 506                    | 800               | 180,745             | 181,545             | 9.19%          | 5.12%        | 3                         | 789                       | 792                       |
| Invesco Institutional Treasury Portfolio                       | 178               | 184,577             | 184,755             | 9.35%          | 5.13%        | 1                         | 809                       | 809                       |
| JPMorgan U.S. Treasury Plus Money Market Fund (Institutional)  | 100,128           | 40,015              | 140,143             | 7.09%          | 5.15%        | 401                       | 334                       | 736                       |
| Morgan Stanley Fund 8304 Treasury                              | 690               | 171,426             | 172,116             | 8.71%          | 5.11%        | 7                         | 745                       | 752                       |
| State Street Global Advisors Institutional Treasury MMF        | 164,200           | 604                 | 164,804             | 8.34%          | 5.19%        | 725                       | 3                         | 728                       |
| UBS Select Treasury Preferred Fund 46                          | 63,305            | 67,417              | 130,722             | 6.62%          | 5.18%        | 533                       | 139                       | 672                       |
| Western Asset Institutional US Treasury Reserves               | 500               | 161,558             | 162,058             | 8.20%          | 5.12%        | 2                         | 706                       | 708                       |
| <b>Total MMMF</b>  | <b>\$ 475,111</b> | <b>\$ 1,500,845</b> | <b>\$ 1,975,956</b> | <b>100.00%</b> | <b>5.15%</b> | <b>\$ 2,260</b>           | <b>\$ 6,681</b>           | <b>\$ 8,942</b>           |

Note: Schedule may not foot due to rounding.

**Texas Electric Market Stabilization Funding M, LLC (TEMSFM)**  
**Money Market Mutual Funds (MMMF)**  
**August 31, 2024**  
(\$ in 000's)

|  | Ending<br>Balance | Month End<br>Yield | Monthly<br>Investment<br>Income |
|--|-------------------|--------------------|---------------------------------|
| <b>MMMF held at ERCOT, Inc.</b>                                  |                   |                    |                                 |
| <b>Capital</b>   |                   |                    |                                 |
| JPMorgan U.S. Treasury Plus Money Market Fund (Institutional)    | \$ 4,018          | 5.12%              | \$ 17                           |
|  | 4,018             | 5.12%              | 17                              |
| <b>Escrow (Collateral)</b>                                       |                   |                    |                                 |
| BlackRock Liquidity Funds: T-Fund                                | 3,455             | 5.18%              | 15                              |
| Invesco Treasury Portfolio                                       | 3,632             | 5.12%              | 16                              |
| Morgan Stanley Institutional Liquidity Funds: Treasury Portfolio | 3,684             | 5.11%              | 16                              |
| UBS Select Treasury Preferred Fund                               | 3,688             | 5.18%              | 16                              |
| Total Escrow (Collateral) MMMF                                   | 14,459            | 5.15%              | 63                              |
| <b>Total MMMF held at ERCOT, Inc.</b>                            | 18,477            | 5.14%              | 81                              |
| <b>MMMF held at Trustee</b>                                      |                   |                    |                                 |
| <b>Debt Service</b>  |                   |                    |                                 |
| First Am Treas Ob Fund   | 1,971             | 5.13%              | 4                               |
| Invesco Treasury Portfolio/Instit                                | 792               | 5.15%              | 3                               |
| Total Debt Service MMMF  | 2,763             | 5.14%              | 8                               |
| <b>Debt Service Reserve</b>                                      |                   |                    |                                 |
| Allspring Treasury Plus Money Market Fund (Institutional)        | 4,019             | 5.13%              | 18                              |
| JPMorgan TR I 100 US TR Cap                                      | 2,511             | 5.13%              | 11                              |
| Total Debt Service Reserve MMMF                                  | 6,530             | 5.13%              | 29                              |
| <b>Total MMMF held at Trustee</b>                                | 9,293             | 5.13%              | 36                              |
| <b>Total TEMSFM MMMF</b>   | \$ 27,770         | 5.14%              | \$ 117                          |

Note: Schedule may not foot due to rounding.



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

**August 31, 2024**

(\$ in 000's)

|  | Ending<br>Balance | Month End<br>Yield | Monthly<br>Investment<br>Income |
|--|-------------------|--------------------|---------------------------------|
| <b>MMMF held at ERCOT, Inc.</b>                                  |                   |                    |                                 |
| <b>Escrow (collateral)</b>                                       |                   |                    |                                 |
| BlackRock Liquidity Funds: T-Fund                                | \$ 1,578          | 5.19%              | \$ 7                            |
| Morgan Stanley Institutional Liquidity Funds: Treasury Portfolio | 1,579             | 5.12%              | 7                               |
| <b>Total MMMF held at ERCOT, Inc.</b>                            | 3,157             | 5.15%              | 14                              |
| <b>MMMF held at Trustee</b>                                      |                   |                    |                                 |
| <b>Debt Service</b>  |                   |                    |                                 |
| Invesco Treasury Portfolio Institutional                         | 12,953            | 5.15%              | 31                              |
| First Am Treas Ob Fund   | 1,284             | 5.13%              | 6                               |
| Total Debt Service MMMF  | 14,237            | 5.15%              | 37                              |
| <b>Capital</b>   |                   |                    |                                 |
| JPMorgan TR I 100 US TR Cap                                      | 10,626            | 5.13%              | 46                              |
| Total Capital MMMF   | 10,626            | 5.13%              | 46                              |
| <b>Total MMMF held at Trustee</b>                                | 24,863            | 5.14%              | 83                              |
| <b>Total TEMSFN MMMF</b>   | \$ 28,020         | 5.14%              | \$ 97                           |

Note: Schedule may not foot due to rounding.

**Electric Reliability Council of Texas, Inc.**  
**Summary of U.S. Treasury Obligation Portfolio Results**  
**August 31, 2024**  
(\$ in 000's)

| <b>Maturity Month</b>    | <b>Par Value</b>    | <b>Coupon Rate</b> | <b>Current Market Value</b> | <b>Current Market Yield</b> | <b>Purchase Price</b> | <b>Discount / (Premium)</b> | <b>Purchase Yield</b> | <b>Monthly Investment Income</b> | <b>Duration</b> |
|--------------------------|---------------------|--------------------|-----------------------------|-----------------------------|-----------------------|-----------------------------|-----------------------|----------------------------------|-----------------|
| FUZXX                    | 50,801              | 0.00%              | 50,801                      | 5.13%                       | 50,801                | -                           | 5.12%                 | 358                              | 0.17            |
| Aug-24                   | 127,000             | 1.75%              | 127,000                     | 0.00%                       | 127,000               | -                           | 5.43%                 | -                                | -               |
| Sep-24                   | 121,000             | 1.50%              | 121,429                     | 5.04%                       | 117,036               | 3,964                       | 5.39%                 | 541                              | 0.08            |
| Oct-24                   | 119,000             | 0.63%              | 118,645                     | 5.17%                       | 114,032               | 4,968                       | 5.38%                 | 529                              | 0.12            |
| Nov-24                   | 94,000              | 1.50%              | 93,582                      | 4.89%                       | 90,655                | 3,345                       | 5.33%                 | 412                              | 0.24            |
| Dec-24                   | 83,000              | 1.00%              | 82,279                      | 4.89%                       | 79,505                | 3,495                       | 5.31%                 | 362                              | 0.28            |
| Jan-25                   | 105,000             | 1.38%              | 103,620                     | 4.91%                       | 100,571               | 4,429                       | 5.30%                 | 455                              | 0.41            |
| Feb-25                   | 107,000             | 2.00%              | 105,746                     | 4.88%                       | 103,036               | 3,964                       | 5.29%                 | 464                              | 0.45            |
| Mar-25                   | 111,000             | 2.63%              | 110,955                     | 4.67%                       | 107,412               | 3,588                       | 5.21%                 | 474                              | 0.56            |
| Apr-25                   | 108,000             | 2.88%              | 107,802                     | 4.67%                       | 104,720               | 3,280                       | 5.19%                 | 459                              | 0.64            |
| May-25                   | 77,000              | 2.13%              | 76,172                      | 4.62%                       | 74,097                | 2,903                       | 5.10%                 | 320                              | 0.68            |
| Jun-25                   | 77,000              | 2.75%              | 76,300                      | 4.46%                       | 74,552                | 2,448                       | 5.04%                 | 317                              | 0.80            |
| Jul-25                   | 70,000              | 0.25%              | 67,432                      | 4.43%                       | 65,130                | 4,870                       | 5.01%                 | 279                              | 0.89            |
| Aug-25                   | 78,000              | 2.00%              | 76,326                      | 4.43%                       | 74,471                | 3,529                       | 5.00%                 | 315                              | 0.93            |
| Sep-25                   | 73,000              | 3.00%              | 72,904                      | 4.35%                       | 70,642                | 2,358                       | 4.96%                 | 295                              | 1.03            |
| Oct-25                   | 70,000              | 0.25%              | 66,896                      | 4.28%                       | 64,413                | 5,587                       | 4.93%                 | 272                              | 1.14            |
| Nov-25                   | 52,000              | 0.38%              | 49,636                      | 4.24%                       | 48,275                | 3,725                       | 4.73%                 | 179                              | 1.21            |
| Dec-25                   | 46,000              | 4.00%              | 46,265                      | 4.22%                       | 45,405                | 595                         | 4.72%                 | 165                              | 1.23            |
| Jan-26                   | 57,000              | 0.38%              | 54,097                      | 4.15%                       | 52,573                | 4,427                       | 4.68%                 | 193                              | 1.38            |
| Feb-26                   | 57,000              | 2.50%              | 56,400                      | 4.11%                       | 54,674                | 2,326                       | 4.65%                 | 196                              | 1.44            |
| Mar-26                   | 57,000              | 2.25%              | 55,961                      | 4.09%                       | 54,336                | 2,664                       | 4.62%                 | 195                              | 1.51            |
| Apr-26                   | 56,000              | 2.38%              | 54,965                      | 4.04%                       | 53,423                | 2,577                       | 4.61%                 | 192                              | 1.59            |
| May-26                   | 21,000              | 1.63%              | 20,277                      | 4.03%                       | 19,673                | 1,327                       | 4.85%                 | 80                               | 1.64            |
| Jun-26                   | 21,000              | 1.88%              | 20,293                      | 3.99%                       | 19,729                | 1,271                       | 4.80%                 | 79                               | 1.76            |
| Jul-26                   | 19,000              | 1.88%              | 18,310                      | 3.97%                       | 17,804                | 1,196                       | 4.80%                 | 72                               | 1.84            |
| Aug-26                   | 20,000              | 1.50%              | 19,103                      | 3.95%                       | 18,556                | 1,444                       | 4.80%                 | 75                               | 1.89            |
| Sep-26                   | 18,000              | 1.63%              | 17,309                      | 3.91%                       | 16,703                | 1,297                       | 4.77%                 | 67                               | 1.99            |
| Oct-26                   | 18,000              | 1.13%              | 17,043                      | 3.90%                       | 16,448                | 1,552                       | 4.77%                 | 66                               | 2.09            |
| <b>Total Investments</b> | <b>\$ 1,912,801</b> | <b>1.59%</b>       | <b>\$ 1,887,547</b>         | <b>4.63%</b>                | <b>\$ 1,835,671</b>   | <b>\$ 77,131</b>            | <b>5.08%</b>          | <b>\$ 7,412</b>                  | <b>0.73</b>     |

Note: Schedule may not foot due to rounding.



**Electric Reliability Council of Texas, Inc.**  
**Investment Income as of**  
**August 31, 2024**  
(\$ in 000's)

|   | 2024              | 2025             | 2026            |
|---|-------------------|------------------|-----------------|
| <b>U.S. Treasury Obligation Portfolio</b>       |                   |                  |                 |
| Recognized - Investment Income                  | \$ 60,435         | \$ -             | \$ -            |
| Unrealized - Investment Income (FMV Adjustment) | (775)             | -                | -               |
| Unrecognized - Investment Income                | 25,183            | 37,859           | 5,512           |
| Total U.S. Treasury Obligation Portfolio        | 84,843            | 37,859           | 5,512           |
| <b>Money Market Mutual Funds (MMMF)</b>         |                   |                  |                 |
| Recognized - Investment Income                  | 21,229            | -                | -               |
| Total MMMF                                      | 21,229            | -                | -               |
| <b>Total Investment Income</b>                  | <b>\$ 106,072</b> | <b>\$ 37,859</b> | <b>\$ 5,512</b> |
| <br>Interest Income Per Approved Budget         | <br>\$ 49,750     | <br>\$ 39,750    | <br>\$ 39,750   |