



Item 5.2: Periodic Report on Investments – **REVISED***

Richard L. Scheel, CPA
Senior Vice President, Chief Financial Officer,
and Chief Risk Officer

Finance and Audit Committee Meeting

ERCOT Public
April 7, 2025

* Slides 2, 3: Requirement month revised from “December” to “February”

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 slightly decreased since the December yields reported at the prior F&A meeting. As of the end of February 2025, ERCOT's MMMF yields equaled approximately 4.23% and the purchase yield of ERCOT's U.S. Treasury Obligation Portfolio equaled approximately 4.60%
 - ERCOT is in compliance with all investment requirements for February

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 February

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
February 28, 2025

(\$ in 000's)

Money Market Mutual Funds (MMMF)	Funds Held at	Funds Held at	Month End	Monthly Investment
	ERCOT	Trustee		
	(Ending Balance)	(Ending Balance)	Yield	Income
ERCOT, Inc. Unrestricted	\$ 556,261	\$ -	N/A	\$ 1,740
ERCOT, Inc. Restricted (Collateral)	1,785,431	-	N/A	5,826
Total ERCOT, Inc. MMMF	\$ 2,341,692	\$ -	4.23%	\$ 7,566
Texas Electric Market Stabilization Funding M, LLC	\$ 19,820	\$ 11,217	4.23%	\$ 99
Texas Electric Market Stabilization Funding N, LLC	\$ 4,032	\$ 24,115	4.23%	\$ 72

U.S. Treasury Obligation Portfolio

	Purchase Price	Duration	Purchase Yield	Monthly Investment Income
ERCOT, Inc. Unrestricted	\$ 1,836,769	0.73	4.60%	\$ 6,801

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

Richard L Scheel 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)
February 28, 2025
(\$ in 000's)

MMMF	Unrestricted Ending Balance	Restricted Ending Balance	Total Ending Balance	Percentage of Portfolio	Month End Yield	Unrestricted Monthly Investment Income	Restricted Monthly Investment Income	Total Monthly Investment Income
Allspring 100% Treasury Money Market Fund (Admin)	\$ -	\$ 112,572	\$ 112,572	4.81%	4.08%	\$ -	\$ 353	\$ 353
Allspring Treasury Plus Money Market Fund (Institutional)	100	86,888	86,988	3.71%	4.21%	0	285	285
BlackRock Institutional T-Fund (60) MMF	710	210,535	211,245	9.02%	4.24%	8	654	662
BlackRock Institutional Treasury Trust Fund MMF	50	520	570	0.02%	4.22%	0	2	2
Dreyfus Treasury Prime Cash Management MMF	400	194,100	194,500	8.31%	4.21%	1	629	630
Federated Fund 0125 US Treasury Cash Reserves Fund	300	678	978	0.04%	4.17%	1	2	3
Federated Fund 068 Treasury Obligations Fund	700	193,423	194,123	8.29%	4.23%	2	628	630
Fidelity 680 Institutional MMF: Treasury Only Portfolio	500	540	1,040	0.04%	4.23%	2	63	64
Fidelity Investments Money Market Treasury Portfolio (Class I)	137,000	705	137,705	5.88%	4.27%	332	214	546
First Amer Treas Oblig/CI Z	50	4,953	5,003	0.21%	4.24%	0	16	16
Goldman Sachs Treasury Instruments Fund 506	800	203,132	203,932	8.71%	4.21%	3	658	661
Invesco Institutional Treasury Portfolio	2,678	205,695	208,373	8.90%	4.26%	9	653	662
JPMorgan U.S. Treasury Plus Money Market Fund (Institutional)	110,228	68,790	179,018	7.64%	4.25%	364	226	590
Morgan Stanley Fund 8304 Treasury	690	200,453	201,143	8.59%	4.23%	2	650	653
State Street Global Advisors Institutional Treasury MMF	224,200	619	224,819	9.60%	4.27%	647	2	649
UBS Select Treasury Preferred Fund 46	77,355	100,763	178,118	7.61%	4.26%	367	200	567
Western Asset Institutional US Treasury Reserves	500	201,064	201,564	8.61%	4.18%	2	592	593
Total MMMF	\$ 556,261	\$ 1,785,431	\$ 2,341,692	100.00%	4.23%	\$ 1,740	\$ 5,826	\$ 7,566

Note: Schedule may not foot due to rounding.



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

February 28, 2025

(\$ 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)	\$ 4,015	4.21%	\$ 13
	4,015	4.21%	13
Escrow (Collateral)			
BlackRock Liquidity Funds: T-Fund	3,788	4.23%	12
Invesco Treasury Portfolio	3,969	4.23%	13
Morgan Stanley Institutional Liquidity Funds: Treasury Portfolio	4,022	4.22%	13
UBS Select Treasury Preferred Fund	4,027	4.26%	13
Total Escrow (Collateral) MMMF	15,805	4.24%	51
Total MMMF held at ERCOT, Inc.	19,820	4.23%	65
MMMF held at Trustee			
Debt Service			
First Am Treas Ob Fund	2,275	4.25%	5
Invesco Treasury Portfolio/Instit	1,916	4.26%	6
Total Debt Service MMMF	4,190	4.25%	11
Debt Service Reserve			
Allspring Treasury Plus Money Market Fund (Institutional)	4,016	4.22%	13
JPMorgan TR I 100 US TR Cap	3,011	4.20%	10
Total Debt Service Reserve MMMF	7,027	4.21%	23
Total MMMF held at Trustee	11,217	4.23%	34
Total TEMSFM MMMF	\$ 31,037	4.23%	\$ 99

Note: Schedule may not foot due to rounding.



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

February 28, 2025

(\$ in 000's)

	Ending Balance	Month End Yield	Monthly Investment Income
MMMF held at ERCOT, Inc.			
Escrow (collateral)			
BlackRock Liquidity Funds: T-Fund	\$ 2,016	4.23%	\$ 7
Morgan Stanley Institutional Liquidity Funds: Treasury Portfolio	2,016	4.22%	7
Total MMMF held at ERCOT, Inc.	4,032	4.22%	13
MMMF held at Trustee			
Debt Service			
Invesco Treasury Portfolio Institutional	11,628	4.26%	19
First Am Treas Ob Fund	1,869	4.25%	6
Total Debt Service MMMF	13,497	4.26%	25
Capital			
JPMorgan TR I 100 US TR Cap	10,618	4.20%	34
Total Capital MMMF	10,618	4.20%	34
Total MMMF held at Trustee	24,115	4.23%	59
Total TEMSFN MMMF	\$ 28,147	4.23%	\$ 72

Note: Schedule may not foot due to rounding.



Electric Reliability Council of Texas, Inc.
Summary of U.S. Treasury Obligation Portfolio Results
February 28, 2025
(\$ in 000's)

Maturity Month	Par Value	Coupon Rate	Current Market Value	Current Market Yield	Purchase Price	Discount / (Premium)	Purchase Yield	Monthly Investment Income	Duration
FUZXX	153,196	0.00%	153,196	4.25%	153,196	-	4.25%	485	0.18
Mar-25	135,000	2.16%	136,026	4.32%	131,081	3,919	5.08%	569	0.08
Apr-25	133,000	2.88%	133,972	4.31%	129,556	3,444	5.04%	556	0.16
May-25	104,000	2.13%	104,195	4.27%	100,853	3,147	4.89%	421	0.20
Jun-25	104,000	2.75%	103,954	4.27%	101,336	2,664	4.82%	416	0.33
Jul-25	92,000	0.25%	90,500	4.27%	86,581	5,419	4.83%	363	0.41
Aug-25	105,000	2.00%	103,989	4.32%	101,064	3,936	4.81%	415	0.45
Sep-25	99,000	3.00%	99,535	4.27%	96,389	2,611	4.77%	390	0.56
Oct-25	94,000	0.25%	91,655	4.22%	87,588	6,412	4.75%	361	0.65
Nov-25	70,000	0.38%	68,113	4.19%	65,697	4,303	4.61%	260	0.73
Dec-25	63,000	4.00%	63,444	4.17%	62,373	627	4.58%	240	0.76
Jan-26	76,000	0.38%	73,452	4.17%	70,843	5,157	4.58%	279	0.90
Feb-26	76,000	2.50%	74,790	4.15%	73,315	2,685	4.55%	282	0.97
Mar-26	77,000	2.25%	76,226	4.11%	73,874	3,126	4.53%	283	1.04
Apr-26	75,000	2.38%	74,143	4.09%	71,982	3,018	4.53%	276	1.12
May-26	58,000	1.63%	56,615	4.08%	55,487	2,513	4.30%	149	1.17
Jun-26	58,000	1.88%	56,558	4.05%	55,590	2,410	4.27%	147	1.29
Jul-26	53,000	1.88%	51,512	4.04%	50,709	2,291	4.26%	134	1.37
Aug-26	58,000	1.50%	55,976	4.03%	55,078	2,922	4.24%	145	1.42
Sep-26	53,000	1.63%	51,445	4.01%	50,331	2,669	4.21%	129	1.53
Oct-26	53,000	1.13%	50,750	4.02%	49,691	3,309	4.22%	128	1.62
Nov-26	21,000	2.00%	20,429	4.02%	20,201	799	3.92%	66	1.64
Dec-26	18,000	1.75%	17,346	3.99%	17,193	807	3.89%	56	1.77
Jan-27	20,000	1.50%	19,110	4.00%	18,956	1,044	3.90%	62	1.86
Feb-27	20,000	1.88%	19,196	4.00%	19,093	907	3.89%	62	1.93
Mar-27	21,000	0.63%	19,658	3.98%	19,414	1,586	3.88%	63	2.02
Apr-27	21,000	0.50%	19,533	3.99%	19,298	1,702	3.88%	63	2.11
Total Investments	\$ 1,910,196	1.72%	\$ 1,885,318	4.19%	\$ 1,836,769	\$ 73,426	4.60%	\$ 6,801	0.73

Note: Schedule may not foot due to rounding.



Interest Forecast

Electric Reliability Council of Texas, Inc.
Investment Income as of
February 28, 2025
(\$ in 000's)

	<u>2025</u>	<u>2026</u>	<u>2027</u>
U.S. Treasury Obligation Portfolio			
Recognized - Investment Income	\$ 13,546	\$ -	\$ -
Unrealized - Investment Income (FMV Adjustment)	619	-	-
Unrecognized - Investment Income	45,422	15,875	667
Total U.S. Treasury Obligation Portfolio	<u>59,587</u>	<u>15,875</u>	<u>667</u>
Money Market Mutual Funds (MMMF)			
Recognized - Investment Income	4,656	-	-
Total MMMF	<u>4,656</u>	<u>-</u>	<u>-</u>
Total Investment Income	<u>\$ 64,244</u>	<u>\$ 15,875</u>	<u>\$ 667</u>
 Interest Income Per Approved Budget	 \$ 39,750	 \$ 39,750	 \$ -

*2026 & 2027 Budget has not been approved

Note: Schedule may not foot due to rounding.