



## **Item 5.1: Review 2025 Financial Summary**

*Richard L. Scheel, CPA*

Senior Vice President, Chief Financial Officer,  
and Chief Risk Officer

Finance and Audit Committee Meeting

ERCOT Public  
June 23, 2025

# Overview

- **Purpose**
  - To provide the Finance and Audit (F&A) Committee an overview of ERCOT's financial performance as of April 30, 2025
- **Voting Items / Requests**
  - No action is requested of the F&A Committee or Board; for discussion only

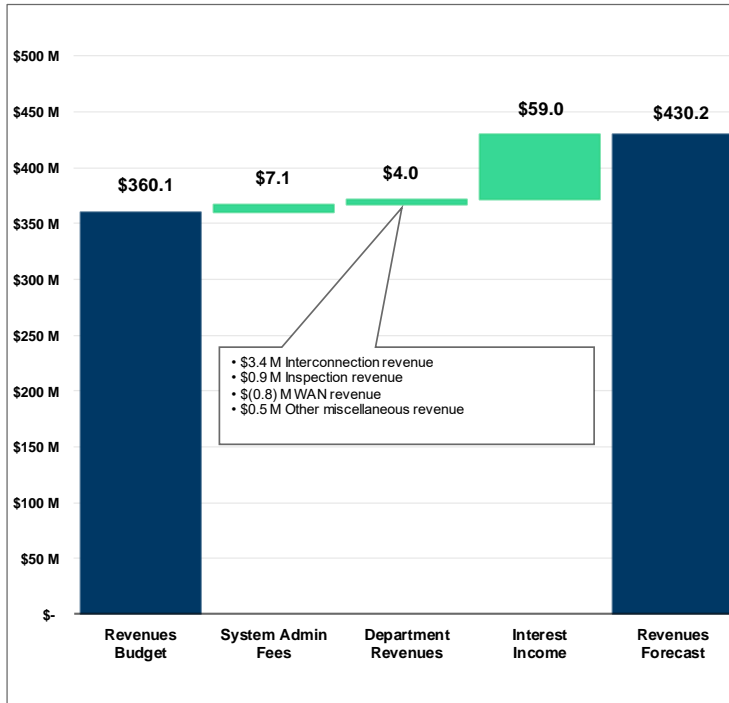
## Key Takeaways:

- ERCOT's year-to-date April 2025 actual revenues net of expenditures were \$47.2 million favorable to budget, driven by interest income being favorable by \$25.9 million, unbudgeted legal fees recovery of \$7.0 million, and project expenditures being favorable by \$5.4 million
- ERCOT's year-end 2025 forecasted revenues net of expenditures are \$82.6 million favorable to budget, driven by interest income forecasted to be favorable by \$59.0 million, unbudgeted legal fees recovery of \$7.0 million, and staffing management to be favorable by \$2.2 million
- ERCOT had \$181.0 million of operating funds as of April 30, 2025, compared to \$83.7 million of operating funds as of April 30, 2024

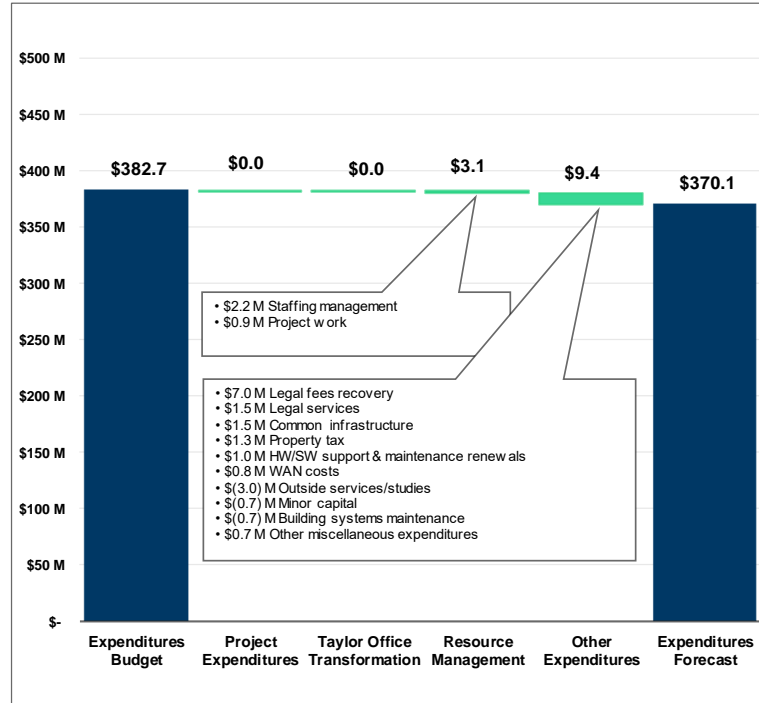
# Review 2025 Financial Summary: 2025 Variance to Budget (\$ in Millions)

**Net Available Year-End Forecast Variance to Budget = \$82.6 M**

**Revenues Year-End Forecast**  
Variance to Budget = \$70.1 M [19.5%]



**Expenditures Year-End Forecast**  
Variance to Budget = \$12.5 M [3.3%]  
KPI Variance to Budget = \$5.5 M [1.4%]



Charts may not foot due to rounding

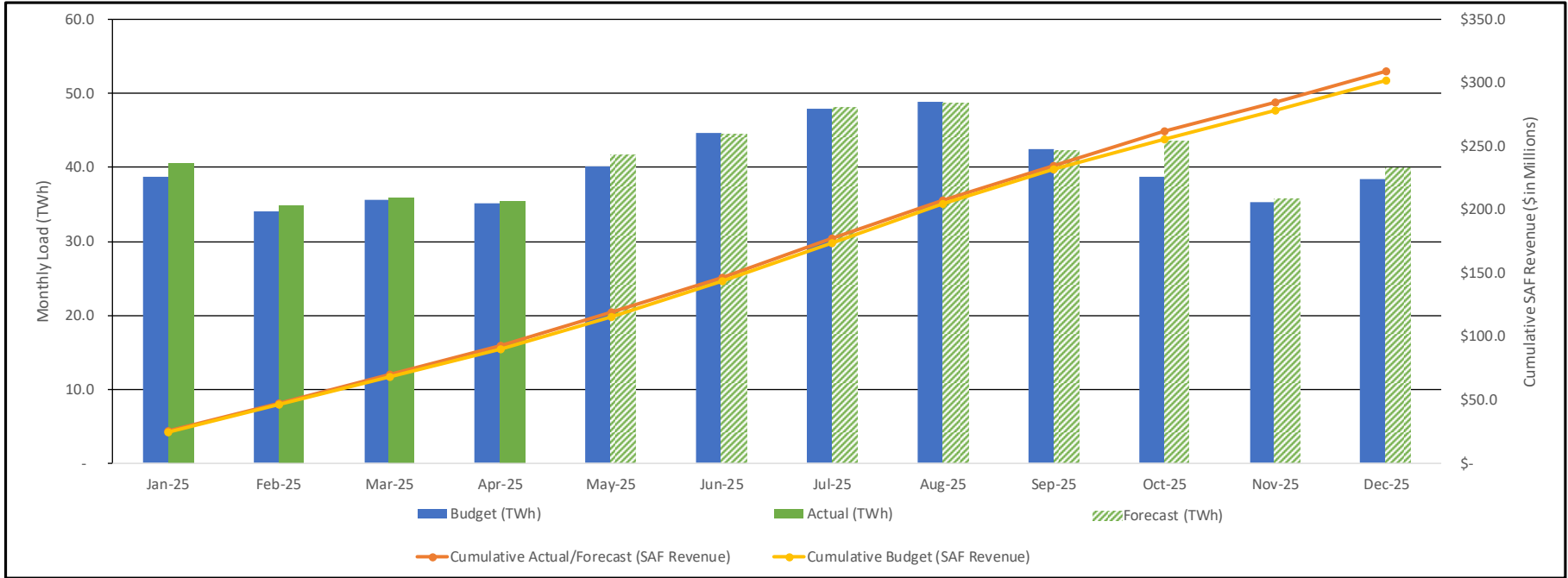
**Key Takeaway:** The forecasted year-end 2025 results are a net available amount of \$60.1 M versus a budgeted amount of \$(22.5) M, a \$82.6 M favorable variance



# Review 2025 Financial Summary:

## 2025 Budget versus Actual:

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



Load (TWh):	FY 2024	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	FY 2025
Budget	465.0	38.7	34.1	35.6	35.1	40.1	44.7	48.0	48.9	42.5	38.7	35.3	38.4	480.0
Actual/Forecast	463.1	40.6	34.8	35.9	35.4	41.7	44.6	48.0	48.7	42.3	43.6	35.8	39.9	491.3
Variance	(1.9)	1.9	0.7	0.3	0.3	1.6	(0.1)	0.1	(0.2)	(0.2)	4.8	0.5	1.6	11.3
Variance (%)	-0.4%	4.8%	1.9%	0.8%	1.0%	4.0%	-0.1%	0.2%	-0.4%	-0.5%	12.5%	1.4%	4.1%	2.3%

SAF Revenue (\$ in Millions):	FY 2024	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	FY 2025
Cumulative Budget	\$ 292.9	\$ 24.4	\$ 45.9	\$ 68.3	\$ 90.4	\$ 115.7	\$ 143.8	\$ 174.0	\$ 204.8	\$ 231.6	\$ 256.0	\$ 278.2	\$ 302.4	\$ 302.4
Cumulative Actual/Forecast	\$ 291.8	\$ 25.6	\$ 47.5	\$ 70.1	\$ 92.4	\$ 118.7	\$ 146.8	\$ 177.0	\$ 207.7	\$ 234.3	\$ 261.8	\$ 284.4	\$ 309.5	\$ 309.5
Cumulative Variance	\$ (1.2)	\$ 1.2	\$ 1.6	\$ 1.8	\$ 2.0	\$ 3.0	\$ 3.0	\$ 3.0	\$ 2.9	\$ 2.8	\$ 5.8	\$ 6.1	\$ 7.1	\$ 7.1
Cumulative Variance (%)	-0.4%	4.8%	3.5%	2.6%	2.2%	2.6%	2.1%	1.7%	1.4%	1.2%	2.3%	2.2%	2.3%	2.3%



# Review 2025 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)	
	2025	2024	2025	2024	2025	2024
<b>Assets</b>						
Unrestricted cash	\$ 784.4	\$ 603.1	\$ 4.0	\$ 4.1	\$ -	\$ -
Bond Investments	1,708.8	1,701.4	-	-	-	-
Total unrestricted cash and bond investments	2,493.2	2,304.5	4.0	4.1	-	-
Restricted cash and interest receivable	1,819.1	1,495.1	31.6	27.0	53.7	52.2
Other current assets	56.6	53.5	7.2	9.5	46.6	45.0
Long-term investment in subsidiary	14.6	14.6	-	-	-	-
Other long-term assets	191.0	183.0	372.4	379.5	1,946.6	1,991.8
<b>Total assets</b>	<b>\$ 4,574.5</b>	<b>\$ 4,050.7</b>	<b>\$ 415.2</b>	<b>\$ 420.1</b>	<b>\$ 2,046.9</b>	<b>\$ 2,089.0</b>
<b>Liabilities and Net Assets</b>						
CRR auction liabilities-current	\$ 1,261.5	\$ 1,251.5	\$ -	\$ -	\$ -	\$ -
CRR auction liabilities-long term	935.1	916.7	-	-	-	-
Other market liabilities	115.5	52.6	-	-	-	-
Total market settlement liabilities	2,312.1	2,220.8	-	-	-	-
Security deposits and interest payable	1,818.4	1,494.2	23.1	20.7	5.8	3.4
Other current liabilities	47.7	40.1	14.4	14.5	72.1	71.9
Other long-term liabilities	26.5	30.5	373.7	380.9	1,958.4	2,003.1
Net assets without donor restrictions	369.8	265.1	4.0	4.0	10.6	10.6
<b>Total liabilities and net assets</b>	<b>\$ 4,574.5</b>	<b>\$ 4,050.7</b>	<b>\$ 415.2</b>	<b>\$ 420.1</b>	<b>\$ 2,046.9</b>	<b>\$ 2,089.0</b>

## Key Takeaways:

- ERCOT's net assets without donor restrictions increased \$104.7 M year-over-year, mainly driven by favorable interest income
- TEMSFM's other long-term liabilities decreased \$7.2 M year-over-year, driven by lower balance of long-term debt payable liabilities
- TEMSFN's other long-term liabilities decreased \$44.7 M year-over-year, driven by lower balance of long-term debt payable liabilities



# Review 2025 Financial Summary: ERCOT Statements of Activities and Net Assets

*For the Four Months Ended April 30*  
*Dollars in Millions*

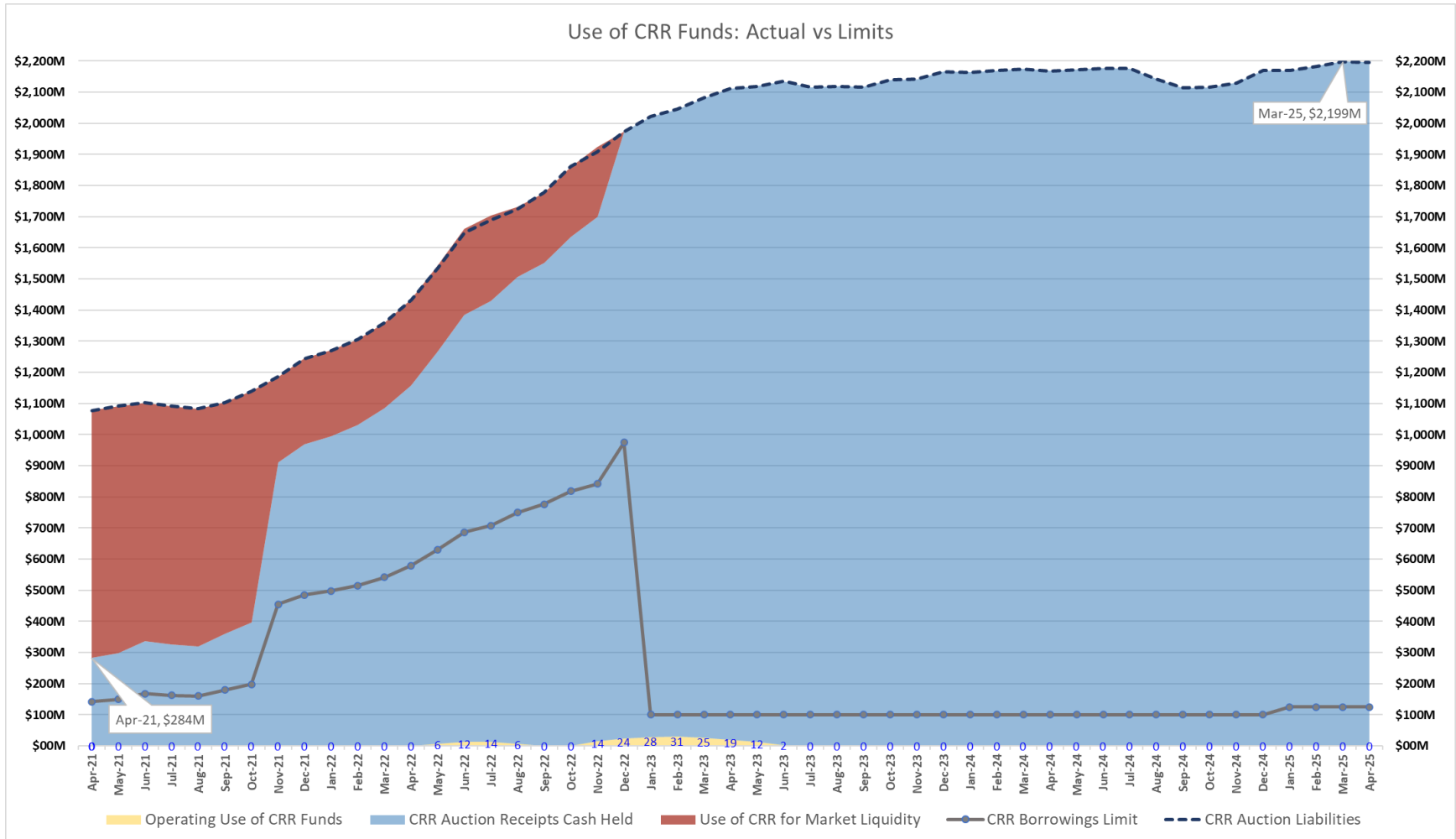
	ERCOT		Texas Electric Market Stabilization Funding M (TEMSFM)		Texas Electric Market Stabilization Funding N (TEMSFN)	
	2025	2024	2025	2024	2025	2024
Operating revenues	\$ 99.1	\$ 90.8	\$ 6.7	\$ 4.0	\$ 32.9	\$ 33.4
Operating expenses	112.2	105.8	0.2	0.3	0.4	0.4
(Loss) income from operations	(13.1)	(15.0)	6.5	3.7	32.5	33.0
Other income (expense)	39.0	29.7	(6.5)	(3.7)	(32.5)	(33.0)
<b>Change in net assets without donor restrictions</b>	<b>25.9</b>	<b>14.7</b>	-	-	-	-
Net assets without donor restrictions, beginning of year	343.9	250.4	4.0	4.0	10.6	10.6
<b>Net assets without donor restrictions, end of period</b>	<b>\$ 369.8</b>	<b>\$ 265.1</b>	<b>\$ 4.0</b>	<b>\$ 4.0</b>	<b>\$ 10.6</b>	<b>\$ 10.6</b>

**Key Takeaways:** ERCOT's year-over-year change in net assets without donor restrictions (equity) increased by \$11.2 M:

- \$8.3 M increase in operating revenues, driven by
  - \$7.3 M (9%) increase in system admin fee revenue
- \$6.4 M increase in operating expenses, driven by
  - \$7.2 M (11%) increase in salaries and related benefits expense
  - \$4.0 M (31%) increase in depreciation expense
  - \$1.1 M (8%) increase in hardware and software maintenance expense
  - \$0.8 M (25%) increase in facility and equipment expense
  - \$0.6 M (16%) increase in other expense
  - \$7.3 M (90%) decrease in outside services expense mainly due to legal fees recovery
- \$9.3 M increase in other income (interest income), driven by
  - \$13.6 M (127%) increase in U.S. Treasury obligations fair value adjustment (\$2.9 M gain in 2025 vs \$10.7 M loss in 2024)
  - \$4.5 M (11%) decrease in interest income



# Review 2025 Financial Summary: Use of CRR Funds: Actual vs Limits



**Key Takeaway:** As of April 2025, Unrestricted Cash and Bond Investments exceeded Market Liabilities by \$181.0 M



# Review 2025 Financial Summary:

## Appendices

**Electric Reliability Council of Texas, Inc.**  
**2025 Financial Summary**  
**As of June 6, 2025**  
**(\$ in Millions)**

Line	Year-to-Date (April 30)					Year-End (December 31)				
	2024		2025			2024		2025		
	Actual	Budget	Actual	Variance	%	Actual	Budget	Forecast	Variance	%
	\$	\$	\$	\$	%	\$	\$	\$	\$	%
1 System Administration Revenue	\$ 85.2	\$ 90.4	\$ 92.4	\$ 2.0	2.2	\$ 291.8	\$ 302.4	\$ 309.5	\$ 7.1	2.3
2 Department Net Expenditures										
3 Chief Information Office	44.4	51.3	50.7	0.6	1.2	141.1	154.1	153.5	0.5	0.4
4 Chief Operations Office	25.4	30.6	28.0	2.6	8.4	77.1	90.7	87.3	3.5	3.8
5 General Counsel	9.4	11.1	2.5	8.6	77.6	28.0	33.7	24.3	9.4	28.0
6 Chief Financial Office	7.3	8.2	8.0	0.3	3.2	22.3	25.3	24.2	1.1	4.4
7 Human Resources	2.3	4.1	3.1	1.0	23.5	8.6	13.3	12.4	0.9	7.0
8 Chief Executive Office	3.5	3.1	2.7	0.4	13.8	7.4	6.1	5.9	0.2	2.7
9 Project Funded Labor	(6.2)	(6.5)	(6.8)	0.3	5.0	(18.0)	(19.4)	(20.1)	0.7	3.8
10 Total Department Net Expenditures	86.2	102.0	88.2	13.8	13.5	266.4	303.8	287.4	16.4	5.4
11 Net Revenues After Department Expenditures	(1.1)	(11.6)	4.2	15.8	136.5	25.4	(1.4)	22.1	23.5	>1,000.0
12										
13 Less: Project Expenditures	11.7	16.7	11.4	5.4	32.1	57.2	50.2	50.2	-	0.0
14 Less: Taylor Office Transformation	-	0.3	0.1	0.2	56.5	0.0	10.4	10.4	-	0.0
15 Less: Interest Expense	0.4	0.1	0.1	(0.0)	(3.6)	1.3	0.4	0.2	0.2	50.7
16 Add: Interest Income	30.0	13.3	39.1	25.9	195.1	114.2	39.8	98.8	59.0	148.4
17										
18 Net Available	\$ 16.9	\$ (15.5)	\$ 31.7	\$ 47.2	304.9	\$ 81.0	\$ (22.5)	\$ 60.1	\$ 82.6	366.5

Note: Schedule may not foot due to rounding



**Electric Reliability Council of Texas, Inc.**  
**2025 Financial Summary Variance Explanations**  
**As of June 6, 2025**

<b>Line</b>	<b>Year-to-Date (April 30)</b>	<b>Year-End (December 31)</b>
1 System Administration Revenue	+\$10.9 M - Economy -\$8.9M - Weather	+\$7.1 M - Based on current actuals and load forecast for remainder of year
3 Chief Information Office	+\$1.0 M - HW/SW support & maintenance renewals +\$0.1 M - WAN costs +\$0.1 M - IT hardware +\$0.2 M - HW/SW vendor support services [Resource Management - Project-Funded Work] +\$0.1 M - Telephone +\$0.1 M - Employee training & business travel +\$0.1 M - Conferencing -\$0.3 M - Outside services/studies  -\$0.1 M - WAN revenue  -\$0.1 M - Minor capital  -\$0.1 M - Other miscellaneous expenditures  <u>Timing Differences</u> +\$0.6 M - HW/SW vendor support services [Resource Management - Project-Funded Work] +\$0.2 M - Contingent labor [Resource Management - Staffing Management] +\$0.2 M - HW/SW support & maintenance renewals +\$0.1 M - Building systems maintenance +\$0.1 M - Employee training & business travel -\$1.5 M - Common infrastructure -\$0.2 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management]	+\$1.9 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$1.5 M - Common infrastructure +\$1.0 M - HW/SW support & maintenance renewals +\$0.8 M - WAN costs +\$0.5 M - IT hardware +\$0.2 M - HW/SW vendor support services [Resource Management - Project-Funded Work] +\$0.1 M - Telephone +\$0.1 M - Employee training & business travel +\$0.1 M - Conferencing -\$2.0 M - Outside services/studies -\$0.9 M - Contingent labor [Resource Management - Staffing Management] -\$0.8 M - WAN revenue -\$0.7 M - Building systems maintenance -\$0.7 M - Minor capital -\$0.5 M - Electricity -\$0.1 M - Other miscellaneous expenditures
4 Chief Operations Office	+\$0.8 M - Interconnection revenue +\$0.2 M - Inspection revenue +\$0.5 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.2 M - Employee training & business travel  -\$0.1 M - Operator training seminar revenue  <u>Timing Differences</u> +\$0.9 M - Outside services/studies +\$0.1 M - Contingent labor [Resource Management - Staffing Management]	+\$3.4 M - Interconnection revenue +\$0.9 M - Inspection revenue +\$0.7 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.2 M - Employee training & business travel -\$1.1 M - Outside services/studies -\$0.3 M - Data service subscriptions -\$0.1 M - Contingent labor [Resource Management - Staffing Management] -\$0.1 M - Operator training seminar revenue -\$0.1 M - Other miscellaneous expenditures
5 General Counsel	+\$7.0 M - Legal fees recovery +\$1.2 M - Legal services +\$0.2 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.1 M - Registration fees revenue +\$0.1 M - Employee training & business travel	+\$7.0 M - Legal fees recovery +\$1.5 M - Legal services +\$0.4 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.4 M - Registration fees revenue +\$0.1 M - Employee training & business travel +\$0.1 M - Membership dues revenue -\$0.1 M - Board member expense



**Electric Reliability Council of Texas, Inc.**  
**2025 Financial Summary Variance Explanations**  
**As of June 6, 2025**

<b>Line</b>	<b>Year-to-Date (April 30)</b>	<b>Year-End (December 31)</b>
6 Chief Financial Office	+\$0.4 M - Property tax +\$0.1 M - SPE M & N administration & servicing revenue -\$0.2 M - Outside services/studies -\$0.1 M - Contingent labor [Resource Management - Staffing Management]  <u>Timing Differences</u> +\$0.1 M - Other miscellaneous expenditures	+\$1.3 M - Property tax +\$0.5 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management] +\$0.1 M - SPE M & N administration & servicing revenue -\$0.7 M - Outside services/studies -\$0.1 M - Contingent labor [Resource Management - Staffing Management]
7 Human Resources	+\$0.5 M - Outside services/studies +\$0.1 M - Corporate events +\$0.1 M - Contingent labor [Resource Management - Staffing Management] +\$0.1 M - Recruiting & pre-employment costs +\$0.1 M - Health & wellness expense  <u>Timing Differences</u> +\$0.1 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management]	+\$0.8 M - Outside services/studies +\$0.3 M - Corporate events +\$0.2 M - Contingent labor [Resource Management - Staffing Management] +\$0.1 M - Recruiting & pre-employment costs +\$0.1 M - Health & wellness expense +\$0.1 M - Non-monetary reward & recognition -\$0.7 M - Lower-than-budgeted vacancy [Resource Management - Staffing Management]
8 Chief Executive Office	+\$0.2 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management]  <u>Timing Differences</u> +\$0.2 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management]	+\$0.2 M - Higher-than-budgeted vacancy [Resource Management - Staffing Management]
9 Project Funded Labor	+\$0.3 M - Multiple projects [Resource Management - Project-Funded Work]	+\$0.7 M - Multiple projects [Resource Management - Project-Funded Work]
13 Project Expenditures	<u>Timing Differences</u> +\$5.4 M - All projects	No material variance
14 Taylor Office Transformation	<u>Timing Differences</u> +\$0.2 M - Building and furniture improvements	No material variance
15 Interest Expense	No material variance	+\$0.2 M - Capitalized interest
16 Interest Income	+\$20.3 M - Interest rate +\$2.7 M - Investment balance +\$2.9 M - Fair value adjustment	+\$51.2 M - Interest rate +\$4.0 M - Investment balance +\$3.8 M - Fair value adjustment



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

Line	Project	Year-to-Date As of April 30, 2025		Year-End (YE) As of June 6, 2025		Life-to-Date As of April 30, 2025		Estimate-at-Completion (EAC) As of June 6, 2025			
		Actual	% of YE Forecast	YE Forecast	% of All Included Projects	Actual	% of EAC Forecast	EAC Forecast	% of All Included Projects	Budget	Variance
1	RTC-B Grid & Markets	\$ 3.8	35%	\$ 10.7	21%	\$ 9.9	53%	\$ 18.8	14%	\$ 20.8	\$ 2.0
2	RTC-B Integration & Information	1.5	35%	4.4	9%	3.0	49%	6.2	5%	6.4	0.2
3	RTC-B Program Control	2.2	45%	4.8	10%	7.0	145%	4.8	4%	5.4	0.6
4	RTC-B Commercial Applications	0.2	33%	0.7	1%	1.4	65%	2.1	2%	2.3	0.1
5	Dispatchable Reliability Reserve Service (DRRS)	-	0%	-	0%	-	0%	3.5	3%	3.5	-
6	<b>Subtotal - Market Design Projects</b>	<b>7.7</b>	<b>37%</b>	<b>20.6</b>	<b>41%</b>	<b>21.3</b>	<b>60%</b>	<b>35.5</b>	<b>27%</b>	<b>38.4</b>	<b>3.0</b>
7	Second iTest Environment	0.1	6%	1.8	4%	8.9	82%	10.8	8%	10.8	0.0
8	Test Data Management	(1.2)	436%	(0.3)	-1%	5.9	76%	7.7	6%	7.7	-
9	Tertiary Fiber Path	-	0%	1.8	4%	-	0%	4.7	4%	4.7	-
10	NMMS IMM Schema upgrade to CIM 16	0.4	19%	2.3	5%	1.0	22%	4.4	3%	4.5	0.0
11	ServiceNow Change Management	0.4	27%	1.6	3%	0.8	20%	3.9	3%	3.9	(0.0)
12	Cloud Foundations	0.4	11%	3.5	7%	0.5	14%	3.7	3%	3.7	0.0
13	Microsoft SharePoint Migration – Phase 2	0.2	24%	0.8	2%	0.4	11%	3.3	2%	3.3	-
14	Treasury Single Source of Truth	0.1	4%	1.5	3%	0.1	6%	2.1	2%	2.1	0.0
15	<b>Total Projects with EAC Over \$2.0M</b>	<b>8.1</b>	<b>24%</b>	<b>33.6</b>	<b>67%</b>	<b>38.8</b>	<b>51%</b>	<b>76.1</b>	<b>57%</b>	<b>79.1</b>	<b>3.0</b>
16	<b>Other Projects</b>	<b>3.3</b>	<b>20%</b>	<b>16.6</b>	<b>33%</b>	<b>30.8</b>	<b>54%</b>	<b>56.8</b>	<b>43%</b>	<b>57.1</b>	<b>0.3</b>
17	<b>Total Project Expenditures</b>	<b>\$ 11.4</b>	<b>23%</b>	<b>\$ 50.2</b>	<b>100%</b>	<b>\$ 69.6</b>	<b>52%</b>	<b>\$ 132.8</b>	<b>100%</b>	<b>\$ 136.2</b>	<b>\$ 3.3</b>

Note: Schedule may not foot due to rounding



**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

**Statements of Financial Position**

**As of April 30, 2025 and 2024**

(Dollars in Thousands)

	2025	2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 784,374	\$ 603,116
Accounts receivable	4,510	5,136
Unbilled revenue	5,879	5,534
Interest receivable	15,118	14,974
Receivable from intercompany	911	539
Restricted cash and cash equivalents	1,813,169	1,489,008
Short-term investments	1,023,950	1,065,845
Prepaid expenses and other current assets	42,691	39,897
Total current assets	3,690,602	3,224,049
Long-term investments	692,758	643,645
Property and equipment, net	157,916	137,291
Systems under development	32,460	44,915
Other long term assets	756	821
Total assets	\$ 4,574,492	\$ 4,050,721
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 3,264	\$ 3,789
Accrued liabilities	34,044	27,473
Payable to intercompany	688	935
Deferred revenue	11,671	10,072
Market settlement liabilities	1,376,990	1,304,094
Security deposits	1,812,481	1,488,073
Debt payable, current portion	4,000	4,000
Total current liabilities	3,243,138	2,838,436
Long-term liabilities:		
Debt payable, less current portion:		
Principal	26,000	30,000
Less unamortized debt issuance costs	106	115
Debt payable less current portion and unamortized debt issuance costs	25,894	29,885
Long-term CRR liabilities	935,070	916,736
Other long-term liabilities	544	607
Total long-term liabilities	961,508	947,228
Total liabilities	4,204,646	3,785,664
Net assets without donor restrictions	369,846	265,057
Total liabilities and net assets	\$ 4,574,492	\$ 4,050,721



**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**  
**Statements of Activities and Changes in Net Assets**  
**For the Four Months Ended April 30, 2025 and 2024**  
(Dollars in Thousands)

	<b>2025</b>	<b>2024</b>
<b>Operating revenues</b>		
System administration fees	\$ 92,423	\$ 85,156
Other services revenue	6,688	5,633
Total operating revenues	99,111	90,789
<b>Operating expenses</b>		
Salaries and related benefits	71,966	64,733
Facility and equipment costs	3,900	3,113
Outside services	772	8,113
Hardware and software maintenance and licensing	14,553	13,429
Depreciation	16,787	12,798
Other	4,192	3,603
Total operating expenses	112,170	105,789
Loss from operations	(13,059)	(15,000)
<b>Other income (expense)</b>		
Investment return, net	39,101	30,021
Interest expense	(137)	(365)
Non-operating income	19	5
Change in net assets without donor restrictions	25,924	14,661
Net assets without donor restrictions, beginning of year	343,922	250,396
Net assets without donor restrictions, end of period	\$ 369,846	\$ 265,057

**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

**Statements of Cash Flows**

**For the Four Months Ended April 30, 2025 and 2024**

(Dollars in Thousands)

	<b>2025</b>	<b>2024</b>
<b>Operating activities:</b>		
Change in net assets without donor restrictions	\$ 25,924	\$ 14,661
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:		
Depreciation/amortization of assets	16,787	12,798
Amortization of right-of-use assets	91	98
Amortization of debt issuance costs	5	6
Amortization of bond investment discount	(15,839)	(20,526)
Unrealized (gains) loss on bond investments	(2,905)	10,664
Net loss on capital assets	1	-
Changes in operating assets and liabilities:		
Accounts receivable	1,031	507
Unbilled revenue	846	1,997
Interest receivable	432	1,779
Receivable from intercompany	97	11
Prepaid expenses and other assets	489	1,904
Other long-term liabilities	(87)	(96)
Accounts payable	1,636	(6,124)
Accrued liabilities	(8,668)	(6,946)
Payable to intercompany	(437)	213
Deferred revenue	(378)	1,070
Security deposits	(413,867)	(39,858)
Market settlement liabilities	(132,231)	(101,594)
Long-term CRR liabilities	176,596	98,103
Net cash (used in) operating activities	<u>(350,477)</u>	<u>(31,333)</u>
<b>Investing activities:</b>		
Purchase of investments	(457,421)	(400,567)
Proceeds from investments	529,000	478,000
Capital expenditures for property and equipment and systems under development	(24,208)	(16,663)
Net cash provided by investing activities	<u>47,371</u>	<u>60,770</u>
<b>Financing activities:</b>		
Repayment of debt payable	(1,000)	(1,000)
Net cash (used in) financing activities	<u>(1,000)</u>	<u>(1,000)</u>
Net (decrease) increase in cash, cash equivalents, and restricted cash and cash equivalents	(304,106)	28,437
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year	2,901,649	2,063,687
Cash, cash equivalents, and restricted cash and cash equivalents, end of period	<u>\$ 2,597,543</u>	<u>\$ 2,092,124</u>



**ELECTRIC RELIABILITY COUNCIL OF TEXAS**  
**Consolidated Statements of Financial Position**  
**As of April 30, 2025**  
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M (TEMSFM)	Texas Electric Market Stabilization Funding N (TEMSFN)	Eliminations	Consolidated
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 784,374	\$ 4,042	\$ -	\$ -	\$ 788,416
Securitization charges receivable, current	-	7,133	45,882	-	53,015
Accounts receivable	4,510	-	-	-	4,510
Unbilled revenue	5,879	-	-	(414)	5,465
Interest receivable	15,118	117	159	-	15,394
Receivable from intercompany	911	-	689	(1,600)	-
Restricted cash and cash equivalents	1,813,169	31,517	53,521	-	1,898,207
Short-term investments	1,023,950	-	-	-	1,023,950
Prepaid expenses and other current assets	42,691	-	-	-	42,691
Total current assets	3,690,602	42,809	100,251	(2,014)	3,831,648
Long-term investments	692,758	-	-	(14,579)	678,179
Property and equipment, net	157,916	-	-	-	157,916
Systems under development	32,460	-	-	-	32,460
Securitization charges receivable, non current	-	372,390	1,946,662	-	2,319,052
Other long term assets	756	-	-	-	756
Total assets	\$ 4,574,492	\$ 415,199	\$ 2,046,913	\$ (16,593)	\$ 7,020,011
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Accounts payable	\$ 3,264	\$ -	\$ -	\$ -	\$ 3,264
Accrued liabilities	34,044	6,616	26,398	-	67,058
Payable to intercompany	688	888	438	(2,014)	-
Deferred revenue	11,671	-	-	-	11,671
Market settlement liabilities	1,376,990	-	-	-	1,376,990
Security deposits	1,812,481	22,994	5,636	-	1,841,111
Debt payable, current portion	4,000	7,026	45,417	-	56,443
Total current liabilities	3,243,138	37,524	77,889	(2,014)	3,356,537
Long-term liabilities:					
Debt payable, less current portion:					
Principal	26,000	376,251	1,969,993	-	2,372,244
Less unamortized discount and debt issuance costs	106	2,576	11,548	-	14,230
Debt payable less current portion and unamortized discount and debt issuance costs	25,894	373,675	1,958,445	-	2,358,014
Long-term CRR liabilities	935,070	-	-	-	935,070
Other long-term liabilities	544	-	-	-	544
Total long-term liabilities	961,508	373,675	1,958,445	-	3,293,628
Total liabilities	4,204,646	411,199	2,036,334	(2,014)	6,650,165
Net assets without donor restrictions	369,846	4,000	10,579	(14,579)	369,846
Total liabilities and net assets	\$ 4,574,492	\$ 415,199	\$ 2,046,913	\$ (16,593)	\$ 7,020,011



**ELECTRIC RELIABILITY COUNCIL OF TEXAS**  
**Consolidated Statements of Activities and Changes in Net Assets**  
**For the Four Months Ended April 30, 2025**  
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M (TEMSFM)	Texas Electric Market Stabilization Funding N (TEMSFN)	Eliminations	Consolidated
<b>Operating revenues</b>					
System administration fees	\$ 92,423	\$ -	\$ -	\$ -	\$ 92,423
Other services revenue	6,688	-	-	(553)	6,135
Securitization charges fees	-	6,726	32,924	-	39,650
Total operating revenues	99,111	6,726	32,924	(553)	138,208
<b>Operating expenses</b>					
Salaries and related benefits	71,966	-	-	-	71,966
Facility and equipment costs	3,900	-	-	-	3,900
Outside services	772	184	400	(553)	803
Hardware and software maintenance and licensing	14,553	-	-	-	14,553
Depreciation	16,787	-	-	-	16,787
Other	4,192	-	-	-	4,192
Total operating expenses	112,170	184	400	(553)	112,201
(Loss) income from operations	(13,059)	6,542	32,524	-	26,007
<b>Other income (expense)</b>					
Investment return, net	39,101	261	443	-	39,805
Interest expense	(137)	(6,803)	(32,967)	-	(39,907)
Non-operating expense	19	-	-	-	19
Change in net assets without donor restrictions	25,924	-	-	-	25,924
Net assets without donor restrictions, beginning of year	343,922	4,000	10,579	(14,579)	343,922
Net assets without donor restrictions, end of period	\$ 369,846	\$ 4,000	\$ 10,579	\$ (14,579)	\$ 369,846



**ELECTRIC RELIABILITY COUNCIL OF TEXAS**  
**Consolidated Statements of Cash Flows**  
**For the Four Months Ended April 30, 2025**  
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M (TEMSFM)	Texas Electric Market Stabilization Funding N (TEMSFN)	Eliminations	Consolidated
<b>Operating activities:</b>					
Change in net assets without donor restrictions	\$ 25,924	\$ -	\$ -	\$ -	\$ 25,924
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:					
Depreciation/amortization of assets	16,787	-	-	-	16,787
Amortization of right-of-use assets	91	-	-	-	91
Amortization of discount & debt issuance costs	5	25	249	-	279
Amortization of bond investment discount	(15,839)	-	-	-	(15,839)
Unrealized (gains) on bond investments	(2,905)	-	-	-	(2,905)
Net loss on capital assets	1	-	-	-	1
Changes in operating assets and liabilities:					
Securitization charges receivable	-	2,580	15,098	(436)	17,242
Accounts receivable	1,031	-	-	-	1,031
Unbilled revenue	846	-	-	(277)	569
Interest receivable	432	(29)	(9)	156	550
Receivable from intercompany	97	-	-	(97)	-
Prepaid expenses and other assets	489	-	-	-	489
Other long-term liabilities	(87)	-	-	-	(87)
Accounts payable	1,636	(4)	-	-	1,632
Accrued liabilities	(8,668)	284	(17,236)	-	(25,620)
Payable to intercompany	(437)	(84)	(193)	714	-
Deferred revenue	(378)	-	-	-	(378)
Security deposits	(413,867)	311	1,761	-	(411,795)
Market settlement liabilities	(132,231)	-	-	-	(132,231)
Long-term CRR liabilities	176,596	-	-	-	176,596
Net cash (used in) provided by operating activities	(350,477)	3,083	(330)	60	(347,664)
<b>Investing activities:</b>					
Purchase of investments	(457,421)	-	-	-	(457,421)
Proceeds from investments	529,000	-	-	-	529,000
Capital expenditures for property and equipment and systems under development	(24,208)	-	-	-	(24,208)
Net cash provided by investing activities	47,371	-	-	-	47,371
<b>Financing activities:</b>					
Repayment of debt payable	(1,000)	(5,245)	(22,026)	-	(28,271)
Payment of debt issuance costs	-	-	-	(60)	(60)
Net cash (used in) financing activities	(1,000)	(5,245)	(22,026)	(60)	(28,331)
Net (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	(304,106)	(2,162)	(22,356)	-	(328,624)
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year	2,901,649	37,721	75,877	-	3,015,247
Cash, cash equivalents, and restricted cash and cash equivalents, end of period	\$ 2,597,543	\$ 35,559	\$ 53,521	\$ -	\$ 2,686,623



**ELECTRIC RELIABILITY COUNCIL OF TEXAS**  
**Consolidated Statements of Financial Position**  
**As of April 30, 2024**  
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M (TEMSFM)	Texas Electric Market Stabilization Funding N (TEMSFN)	Eliminations	Consolidated
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 603,116	\$ 4,052	\$ -	\$ -	\$ 607,168
Securitization charges receivable, current	-	9,510	44,057	-	53,567
Accounts receivable	5,136	-	-	-	5,136
Unbilled revenue	5,534	-	-	(414)	5,120
Interest receivable	14,974	127	199	-	15,300
Receivable from intercompany	539	-	935	(1,474)	-
Restricted cash and cash equivalents	1,489,008	26,945	51,964	-	1,567,917
Short-term investments	1,065,845	-	-	-	1,065,845
Prepaid expenses and other current assets	39,897	-	-	-	39,897
Total current assets	3,224,049	40,634	97,155	(1,888)	3,359,950
Long-term investments	643,645	-	-	(14,579)	629,066
Property and equipment, net	137,291	-	-	-	137,291
Systems under development	44,915	-	-	-	44,915
Securitization charges receivable, non current	-	379,495	1,991,797	-	2,371,292
Other long term assets	821	-	-	-	821
Total assets	\$ 4,050,721	\$ 420,129	\$ 2,088,952	\$ (16,467)	\$ 6,543,335
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Accounts payable	\$ 3,789	\$ -	\$ -	\$ -	\$ 3,789
Accrued liabilities	27,473	3,777	27,945	-	59,195
Payable to intercompany	935	448	505	(1,888)	-
Deferred revenue	10,072	-	-	-	10,072
Market settlement liabilities	1,304,094	-	-	-	1,304,094
Security deposits	1,488,073	20,560	3,200	-	1,511,833
Debt payable, current portion	4,000	10,412	43,609	-	58,021
Total current liabilities	2,838,436	35,197	75,259	(1,888)	2,947,004
Long-term liabilities:					
Debt payable, less current portion:					
Principal	30,000	383,278	2,015,409	-	2,428,687
Less unamortized discount and debt issuance costs	115	2,346	12,295	-	14,756
Debt payable less current portion and unamortized discount and debt issuance costs	29,885	380,932	2,003,114	-	2,413,931
Long-term CRR liabilities	916,736	-	-	-	916,736
Other long-term liabilities	607	-	-	-	607
Total long-term liabilities	947,228	380,932	2,003,114	-	3,331,274
Total liabilities	3,785,664	416,129	2,078,373	(1,888)	6,278,278
Net assets without donor restrictions	265,057	4,000	10,579	(14,579)	265,057
Total liabilities and net assets	\$ 4,050,721	\$ 420,129	\$ 2,088,952	\$ (16,467)	\$ 6,543,335



**ELECTRIC RELIABILITY COUNCIL OF TEXAS**  
**Consolidated Statements of Activities and Changes in Net Assets**  
**For the Four Months Ended April 30, 2024**  
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M (TEMSFM)	Texas Electric Market Stabilization Funding N (TEMSFN)	Eliminations	Consolidated
<b>Operating revenues</b>					
System administration fees	\$ 85,156	\$ -	\$ -	\$ -	\$ 85,156
Other services revenue	5,633	-	-	(553)	5,080
Securitization charges fees	-	3,977	33,438	-	37,415
Total operating revenues	90,789	3,977	33,438	(553)	127,651
<b>Operating expenses</b>					
Salaries and related benefits	64,733	-	-	-	64,733
Facility and equipment costs	3,113	-	-	-	3,113
Outside services	8,113	283	409	(553)	8,252
Hardware and software maintenance and licensing	13,429	-	-	-	13,429
Depreciation	12,798	-	-	-	12,798
Other	3,603	-	-	-	3,603
Total operating expenses	105,789	283	409	(553)	105,928
(Loss) income from operations	(15,000)	3,694	33,029	-	21,723
<b>Other income (expense)</b>					
Investment return, net	30,021	242	555	-	30,818
Interest expense	(365)	(3,936)	(33,584)	-	(37,885)
Non-operating income	5	-	-	-	5
Change in net assets without donor restrictions	14,661	-	-	-	14,661
Net assets without donor restrictions, beginning of year	250,396	4,000	10,579	(14,579)	250,396
Net assets without donor restrictions, end of period	\$ 265,057	\$ 4,000	\$ 10,579	\$ (14,579)	\$ 265,057



**ELECTRIC RELIABILITY COUNCIL OF TEXAS**  
**Consolidated Statements of Cash Flows**  
**For the Four Months Ended April 30, 2024**  
(Dollars in Thousands)

	ERCOT	Texas Electric Market Stabilization Funding M (TEMSFM)	Texas Electric Market Stabilization Funding N (TEMSFN)	Eliminations	Consolidated
<b>Operating activities:</b>					
Change in net assets without donor restrictions	\$ 14,661	\$ -	\$ -	\$ -	\$ 14,661
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:					
Depreciation/amortization of assets	12,798	-	-	-	12,798
Amortization of right-of-use assets	98	-	-	-	98
Amortization of debt issuance costs	6	26	249	-	281
Amortization of bond investment discount	(20,526)	-	-	-	(20,526)
Unrealized loss on bond investments	10,664	-	-	-	10,664
Changes in operating assets and liabilities:					
Securitization charges receivable	-	3,407	13,854	212	17,473
Accounts receivable	507	-	-	-	507
Unbilled revenue	1,997	-	-	(276)	1,721
Interest receivable	1,779	17	120	3	1,919
Receivable from intercompany	11	-	-	(11)	-
Prepaid expenses and other assets	1,904	-	-	-	1,904
Other long-term liabilities	(96)	-	-	-	(96)
Accounts payable	(6,124)	(4)	-	-	(6,128)
Accrued liabilities	(6,946)	(2,082)	(16,099)	-	(25,127)
Payable to intercompany	213	(86)	(262)	135	-
Deferred revenue	1,070	-	-	-	1,070
Security deposits	(39,858)	(8)	(132)	-	(39,998)
Market settlement liabilities	(101,594)	-	-	-	(101,594)
Long-term CRR liabilities	98,103	-	-	-	98,103
Net cash (used in) provided by operating activities	(31,333)	1,270	(2,270)	63	(32,270)
<b>Investing activities:</b>					
Purchase of investments	(400,567)	-	-	-	(400,567)
Proceeds from investments	478,000	-	-	-	478,000
Capital expenditures for property and equipment and systems under development	(16,663)	-	-	-	(16,663)
Net cash (used in) investing activities	60,770	-	-	-	60,770
<b>Financing activities:</b>					
Repayment of debt payable	(1,000)	(5,092)	(21,150)	-	(27,242)
Payment of debt issuance costs	-	-	-	(63)	(63)
Net cash (used in) financing activities	(1,000)	(5,092)	(21,150)	(63)	(27,305)
Net increase (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	28,437	(3,822)	(23,420)	-	1,195
Cash, cash equivalents, and restricted cash and cash equivalents, beginning of year	2,063,687	34,819	75,384	-	2,173,890
Cash, cash equivalents, and restricted cash and cash equivalents, end of period	\$ 2,092,124	\$ 30,997	\$ 51,964	\$ -	\$ 2,175,085

