



## **Filing Receipt**

**Filed Date - 2025-08-06 03:10:57 PM**

**Control Number - 52709**

**Item Number - 89**

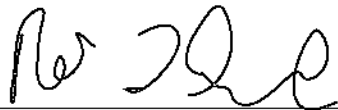
**PUC DOCKET NO. 52709**

|                                      |          |                                  |
|--------------------------------------|----------|----------------------------------|
| <b>COMPLIANCE FILING FOR</b>         | <b>§</b> | <b>PUBLIC UTILITY COMMISSION</b> |
| <b>DOCKET NO. 52321 (APPLICATION</b> | <b>§</b> |                                  |
| <b>OF ELECTRIC RELIABILITY</b>       | <b>§</b> | <b>OF TEXAS</b>                  |
| <b>COUNCIL OF TEXAS INC. FOR A</b>   | <b>§</b> |                                  |
| <b>DEBT OBLIGATION ORDER</b>         | <b>§</b> |                                  |
| <b>PURSUANT TO CHAPTER 39,</b>       | <b>§</b> |                                  |
| <b>SUBCHAPTER M, OF THE PUBLIC</b>   | <b>§</b> |                                  |
| <b>UTILITY REGULATORY ACT)</b>       | <b>§</b> |                                  |

**August 6, 2025**

**Contact: Chad V. Seely, Esq.  
Electric Reliability Council of Texas, Inc.  
8000 Metropolis Drive (Building E) Suite 100  
Austin, Texas 78744  
(512) 225-7000**

**In compliance with Ordering Paragraph No. 7 of the Debt Obligation Order issued on October 14, 2021 in Docket No. 52321, ERCOT hereby submits its Issuance Advice Letter.**



**Richard Scheel, Senior Vice President, Chief Financial Officer & Chief Risk Officer**

**TABLE OF CONTENTS**

| <b><u>Description</u></b>   | <b><u>Page</u></b> |
|-----------------------------|--------------------|
| Issuance Advice Letter..... | 1-15               |
| Service List.....           | 16-19              |
| Certificate of Service..... | 19                 |

**ISSUANCE ADVICE LETTER**

**August 6, 2025**

**Docket No. 52709**

**THE PUBLIC UTILITY COMMISSION OF TEXAS**

**SUBJECT: ISSUANCE ADVICE LETTER FOR SUBCHAPTER M BONDS**

Pursuant to the Debt Obligation Order adopted in Application of Electric Reliability Council of Texas, Inc. for a debt obligation order, Docket No. 52321 (the "Debt Obligation Order"), the Electric Reliability Council of Texas, Inc., ("Applicant") hereby submits, no later than twenty-four hours after the pricing of this series of subchapter M Bonds, the information referenced below. This Issuance Advice Letter is for the Texas Electric Market Stabilization Funding M LLC Texas Stabilization M Bonds, Series 2025 (Texas Stabilization M Bonds, Series 2025). This Series is being issued to refinance the current unpaid balance due on the initial Texas Electric Market Stabilization Funding M LLC Texas M Stabilization Bonds, Series 2021 (Texas Stabilization M Bonds, Series 2021). Any capitalized terms not defined in this letter shall have the meanings ascribed to them in this Debt Obligation Order.

**PURPOSE**

This filing establishes the following:

- (a) the total amount of the Securitizable Amount being financed;
- (b) confirmation of compliance with issuance standards;
- (c) the actual terms and structure of the subchapter M bonds being issued;
- (d) the initial Default Charges for wholesale market participants to be charged on the Texas Stabilization M Bonds, Series 2025;
- (e) the amount of Texas Stabilization M Bonds, Series 2021 being refinanced; and
- (f) the identification of the Bond Co.

**SECURITIZABLE AMOUNT BEING FINANCED**

The total amount of the Securitizable Amount being financed is presented in Attachment 1.

## **COMPLIANCE WITH ISSUANCE STANDARDS**

This Debt Obligation Order requires the Applicant to confirm, using the methodology approved therein, that the actual terms of the Texas Stabilization M Bonds, Series 2025 result in compliance with the standards set forth in this Debt Obligation Order. These standards are:

1. The financing of the Securitizable Amount refinances the current unpaid balance of the Texas Stabilization M Bonds, Series 2021. The Texas Stabilization M Bonds, Series 2021 were issued to ensure preservation of the integrity of the wholesale market and the public interest.
2. ERCOT shall recover the Default Charges from Qualified Scheduling Entities and Congestion Revenue Rights account holders collecting from and allocating among wholesale market participants the Default Charges using the same allocated pro rata share methodology under which the charges would otherwise be uplifted under the ERCOT protocols in effect on March 1, 2021.
3. The Default Charges shall be assessed by Qualified Scheduling Entities and Congestion Revenue Rights account holders participating in the wholesale market and who enter the market after a debt obligation order is issued under this subchapter, and may be based on periodically updated transaction data to prevent wholesale market participants from engaging in behavior designed to avoid the Default Charges.
4. The Default Charges shall not be collected from or allocated by Qualified Scheduling Entities or Congestion Revenue Rights account holders to a wholesale market participant that otherwise would be subject to a Default Charge solely as a result of acting as a central counterparty clearinghouse in wholesale market transactions in the ERCOT power region and is regulated as a derivatives clearing organization, as defined by § 1a, Commodity Exchange Act (7 U.S.C. § 1a).
5. ERCOT did not reduce payments to or uplift short-paid amounts to a municipally owned utility that becomes subject to ERCOT's jurisdiction on or after May 29, 2021 and before December 30, 2021, related to a default on a payment obligation by a market participant that occurred before May 29, 2021.
6. The present value calculation uses a discount rate equal to the interest rate on the Texas Stabilization M Bonds, Series 2025.
7. The Texas Stabilization M Bonds, Series 2025 shall be issued in one tranche having target final maturities of approximately twenty-four (24) years and legal final maturities not exceeding twenty-six (26) years from the date of issuance of such bonds. These maturities are, respectively, approximately twenty-eight (28) years and thirty (30) years from the issuance of the refinanced Texas Stabilization M Bonds, Series 2021.
8. The Texas Stabilization M Bonds, Series 2025 are being issued with an original issue discount, additional credit enhancements, or arrangements to enhance marketability provided that the Applicant certifies that the original issue discount, additional credit enhancements, or other arrangements are reasonably expected to provide benefits greater than their costs.

9. The structuring and pricing of the Texas Stabilization M Bonds, Series 2025 is certified by the Applicant to result in the lowest financing costs consistent with market conditions and the terms set out in this Debt Obligation Order.

### **ACTUAL TERMS OF ISSUANCE**

Subchapter M bonds series: **Texas Stabilization M Bonds, Series 2025**

Subchapter M bonds Issuer: **Texas Electric Market Stabilization Funding M LLC**

Trustee: **U.S. Bank National Association**

Closing Date: **August 14, 2025**

Bond Rating: **Aaa**

Amount Issued: **\$379,100,000**

Subchapter M bonds Upfront Costs: **See Attachment 1, Schedule B.**

Subchapter M bonds Ongoing Costs: **See Attachment 2, Schedule B.**

| Series | Coupon Rate | Expected Final Payment | Legal Final Maturity |
|--------|-------------|------------------------|----------------------|
| 2025   | 5.147%      | 08/01/2049             | 08/01/2051           |

|  |   |
|--|---|
| Effective Annual Weighted Average Interest Rate of subchapter M bonds                | 5.147%                                    |
| Life of Series   | 25.96 years                               |
| Weighted Average Life of Series  | 14.69 years                               |
| Target Amortization Schedule   | Attachment 2, Schedule A                  |
| Target Final Payment Dates   | Attachment 2, Schedule A                  |
| Legal Final Maturity Dates   | Attachment 2, Schedule A                  |
| Payment to Investors   | Semi-annually, Beginning February 1, 2026 |
| Initial annual Servicing Fee for the Texas Market Stabilization M Bonds, Series 2025 | \$200,000                                 |

**INITIAL DEFAULT CHARGE**

Table I below shows the current assumptions for each of the variables used in the calculation of the initial Default Charges.

| TABLE I  |               |
|--|---------------|
| Input Values for Initial Default Charges   |               |
| Applicable period: from 8/14/2025 to 02/01/2026 <sup>1</sup>   |               |
| Forecasted Default Charges for the applicable period:  | \$13,548,963  |
| Debt service for applicable period:  | \$12,750,424  |
| Percent of Default Charges expected to be charged-off:   | 0%            |
| Forecasted % of Billing Paid in the Applicable Period:   | 100%          |
| Forecasted Default Charges billed and collected for applicable period:   | \$13,527,131  |
| Forecasted ongoing expenses for the applicable period (excluding bond principal and interest) from Attachment 2 Sch B:                           | \$428,000     |
| Current Texas Stabilization M Bonds, Series 2021 outstanding balance:  | \$379,817,078 |
| Component of existing Series 2021 Credit Enhancements to be applied to when redemption of Texas Stabilization M Bonds, Series 2021 Bonds occurs: | \$5,632,132   |
| Target Texas Stabilization M Bonds, Series 2025 outstanding balance as of 02/01/2026:  | \$375,401,103 |
| Total Periodic Billing Requirement for applicable period:  | \$ 13,527,131 |

<sup>1</sup> The First Monthly Billing Date for the Series 2025 Bonds is September 1, 2025. A Monthly Billing was made on August 1, 2025 under the Texas Stabilization M Bonds, Series 2021 Bonds. The forecast amount includes an estimated residual in the Collection Account after Redemption of the Texas Stabilization M Bonds, Series 2021 Bonds of approximately \$181,000.

**IDENTIFICATION OF SPE**

The owner of the Default Property will be: **Texas Electric Market Stabilization Funding M LLC**

**EFFECTIVE DATE**

In accordance with the Debt Obligation Order, the Default Charges shall remain effective upon issuance of the Texas Market Stabilization M Bonds, Series 2025. In accordance with the Debt Obligation Order, the Default Charges shall remain effective upon the issuance of the Texas Market Stabilization M Bonds, Series 2025, which will occur upon or about the date of the Applicant's redemption of the Texas Market Stabilization M Bonds, Series 2021.

**NOTICE**

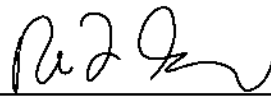
Copies of this filing are being furnished to the parties on the attached service list. Notice to the public is hereby given by filing and keeping this filing open for public inspection at Applicant's corporate headquarters.

**AUTHORIZED OFFICER**

The undersigned is an officer of Applicant and authorized to deliver this Issuance of Advice Letter on behalf of Applicant.

Respectfully Submitted,

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.

By: 

Richard Scheel  
Senior Vice President, Chief Financial Officer  
& Chief Risk Officer

**ATTACHMENT 1****SCHEDULE A****CALCULATION OF SECURITIZABLE AMOUNT FINANCED**

|  |                      |
|--|----------------------|
| Amounts owed on the Texas Market Stabilization M Bonds, Series 2021        | \$379,817,078        |
| Reasonable costs incurred by ERCOT to implement a debt obligation order    | \$4,301,218          |
| <b>TOTAL SECURITIZABLE AMOUNT</b>  | <b>\$384,118,218</b> |
| <b>TOTAL AMOUNT OF THE TEXAS MARKET STABILIZATION M BONDS, SERIES 2025</b> | <b>\$379,100,000</b> |



**ATTACHMENT 1****SCHEDULE B****PROJECTED UPFRONT COSTS**

|  |                      |
|--|----------------------|
| Initial Purchasers' Fees   | \$1,516,400          |
| Company's/Issuer's Counsel and Initial Purchasers' Counsel Legal Fees & Expenses | \$1,997,685          |
| ERCOT Financial Advisor Fees & Expenses  | \$337,500            |
| Printing/Edgarizing Expenses   | \$0                  |
| SEC Registration Fee   | N/A                  |
| Road Show/ 17g-5 Site/ Intex Analytics Services                                  | \$35,633             |
| Rating Agency Fees   | \$230,000            |
| ERCOT Non-legal Financing Proceeding Costs/Expenses                              | \$0                  |
| ERCOT Miscellaneous Administrative Costs   | \$0                  |
| Accountant's Fees  | \$39,000             |
| Trustee's/Trustee Counsel's Fees & Expenses                                      | \$45,000             |
| Redemption of Texas Stabilization M Bonds, Series 2021 Bonds                     | \$379,817,078        |
| Miscellaneous  | \$100,000            |
| Original Issue Discount  | \$28,470             |
| <b>TOTAL PROJECTED UPFRONT COSTS</b>   | <b>\$384,146,766</b> |
| <b>TOTAL PROJECTED UPFRONT COSTS FINANCED</b>                                    | <b>\$384,118,296</b> |

Note: Any difference between the projected Upfront Costs financed and the actual Upfront Costs incurred shall be resolved through the True-Up process described in this Debt Obligation Order.

**ATTACHMENT 2****SCHEDULE A****SUBCHAPTER M BOND REVENUE REQUIREMENT INFORMATION**

| <b>SERIES 2025</b>  |                          |                 |                  |                      |
|---------------------|--------------------------|-----------------|------------------|----------------------|
| <b>Payment Date</b> | <b>Principal Balance</b> | <b>Interest</b> | <b>Principal</b> | <b>Total Payment</b> |
| 8/14/2025           | 379,100,000.00           |                 |                  |                      |
| 2/1/2026            | 375,401,103.91           | 9,051,528.50    | 3,698,896.09     | 12,750,424.59        |
| 8/1/2026            | 371,315,342.83           | 9,660,947.41    | 4,085,761.08     | 13,746,708.49        |
| 2/1/2027            | 367,120,308.07           | 9,555,800.35    | 4,195,034.76     | 13,750,835.11        |
| 8/1/2027            | 362,813,077.10           | 9,447,841.13    | 4,307,230.97     | 13,755,072.10        |
| 2/1/2028            | 358,390,649.24           | 9,336,994.54    | 4,422,427.86     | 13,759,422.40        |
| 8/1/2028            | 353,849,943.55           | 9,223,183.36    | 4,540,705.69     | 13,763,889.05        |
| 2/1/2029            | 349,187,796.68           | 9,106,328.30    | 4,662,146.87     | 13,768,475.17        |
| 8/1/2029            | 344,400,960.70           | 8,986,347.95    | 4,786,835.98     | 13,773,183.93        |
| 2/1/2030            | 339,486,100.79           | 8,863,158.72    | 4,914,859.91     | 13,778,018.63        |
| 8/1/2030            | 334,439,792.95           | 8,736,674.80    | 5,046,307.84     | 13,782,982.64        |
| 2/1/2031            | 329,258,521.61           | 8,606,808.07    | 5,181,271.34     | 13,788,079.41        |
| 8/1/2031            | 323,938,677.16           | 8,473,468.05    | 5,319,844.45     | 13,793,312.50        |
| 2/1/2032            | 318,476,553.47           | 8,336,561.86    | 5,462,123.69     | 13,798,685.55        |
| 8/1/2032            | 312,868,345.29           | 8,195,994.10    | 5,608,208.18     | 13,804,202.28        |
| 2/1/2033            | 307,110,145.58           | 8,051,666.87    | 5,758,199.71     | 13,809,866.58        |
| 8/1/2033            | 301,197,942.82           | 7,903,479.60    | 5,912,202.76     | 13,815,682.36        |
| 2/1/2034            | 295,127,618.19           | 7,751,329.06    | 6,070,324.63     | 13,821,653.69        |
| 8/1/2034            | 288,894,942.73           | 7,595,109.25    | 6,232,675.46     | 13,827,784.71        |
| 2/1/2035            | 282,495,574.37           | 7,434,711.35    | 6,399,368.36     | 13,834,079.71        |
| 8/1/2035            | 275,925,054.90           | 7,270,023.61    | 6,570,519.47     | 13,840,543.08        |
| 2/1/2036            | 269,178,806.89           | 7,100,931.29    | 6,746,248.01     | 13,847,179.30        |
| 8/1/2036            | 262,252,130.47           | 6,927,316.60    | 6,926,676.42     | 13,853,993.02        |
| 2/1/2037            | 255,140,200.09           | 6,749,058.58    | 7,111,930.38     | 13,860,988.96        |
| 8/1/2037            | 247,838,061.14           | 6,566,033.05    | 7,302,138.95     | 13,868,172.00        |

| SERIES 2025  |                   |              |               |               |
|--------------|-------------------|--------------|---------------|---------------|
| Payment Date | Principal Balance | Interest     | Principal     | Total Payment |
| 2/1/2038     | 240,340,626.48    | 6,378,112.50 | 7,497,434.66  | 13,875,547.16 |
| 8/1/2038     | 232,642,672.93    | 6,185,166.02 | 7,697,953.55  | 13,883,119.57 |
| 2/1/2039     | 224,738,837.61    | 5,987,059.19 | 7,903,835.32  | 13,890,894.51 |
| 8/1/2039     | 216,623,614.22    | 5,783,653.99 | 8,115,223.39  | 13,898,877.38 |
| 2/1/2040     | 208,291,349.18    | 5,574,808.71 | 8,332,265.04  | 13,907,073.75 |
| 8/1/2040     | 199,736,237.71    | 5,360,377.87 | 8,555,111.47  | 13,915,489.34 |
| 2/1/2041     | 190,952,319.78    | 5,140,212.08 | 8,783,917.93  | 13,924,130.01 |
| 8/1/2041     | 181,933,475.97    | 4,914,157.95 | 9,018,843.81  | 13,933,001.76 |
| 2/1/2042     | 172,673,423.18    | 4,682,058.00 | 9,260,052.79  | 13,942,110.79 |
| 8/1/2042     | 163,165,710.28    | 4,443,750.55 | 9,507,712.90  | 13,951,463.45 |
| 2/1/2043     | 153,403,713.59    | 4,199,069.55 | 9,761,996.69  | 13,961,066.24 |
| 8/1/2043     | 143,380,632.30    | 3,947,844.57 | 10,023,081.29 | 13,970,925.86 |
| 2/1/2044     | 133,089,483.70    | 3,689,900.57 | 10,291,148.60 | 13,981,049.17 |
| 8/1/2044     | 122,523,098.34    | 3,425,057.86 | 10,566,385.36 | 13,991,443.22 |
| 2/1/2045     | 111,674,115.00    | 3,153,131.94 | 10,848,983.34 | 14,002,115.28 |
| 8/1/2045     | 100,534,975.60    | 2,873,933.35 | 11,139,139.40 | 14,013,072.75 |
| 2/1/2046     | 89,097,919.92     | 2,587,267.60 | 11,437,055.68 | 14,024,323.28 |
| 8/1/2046     | 77,354,980.18     | 2,292,934.97 | 11,742,939.74 | 14,035,874.71 |
| 2/1/2047     | 65,297,975.52     | 1,990,730.41 | 12,057,004.66 | 14,047,735.07 |
| 8/1/2047     | 52,918,506.27     | 1,680,443.40 | 12,379,469.25 | 14,059,912.65 |
| 2/1/2048     | 40,207,948.11     | 1,361,857.76 | 12,710,558.16 | 14,072,415.92 |
| 8/1/2048     | 27,157,446.08     | 1,034,751.54 | 13,050,502.03 | 14,085,253.57 |
| 2/1/2049     | 13,757,908.36     | 698,896.87   | 13,399,537.72 | 14,098,434.59 |
| 8/1/2049     | 0.00              | 354,059.77   | 13,757,908.36 | 14,111,968.13 |

**ATTACHMENT 2****SCHEDULE B****ONGOING COSTS**

|  | <b>ANNUAL AMOUNT</b> |
|--|----------------------|
| Ongoing Servicer Fees (ERCOT as Servicer)                                  | \$200,000            |
| Administration Fees  | \$100,000            |
| Accountant's Fees  | \$40,000             |
| Legal Fees/Expenses for Company's/BondCo's Counsel                         | \$25,000             |
| Trustee's/Trustee Counsel Fees & Expenses                                  | \$10,000             |
| Independent Managers' Fees   | \$10,000             |
| Rating Agency Fees   | \$33,000             |
| Printing/Edgarization Expenses   | \$0                  |
| Miscellaneous  | \$10,000             |
| <b>TOTAL (ERCOT AS SERVICER) PROJECTED ANNUAL ONGOING COSTS</b>            | <b>\$428,000</b>     |
| Ongoing Servicer Fees (Third Party as Servicer - up to 0.60% of principal) | \$2,274,600          |
| Other Servicing Fees   | \$228,000            |
| <b>TOTAL (THIRD PARTY AS SERVICER) PROJECTED ONGOING COSTS</b>             | <b>\$2,502,600</b>   |

Note: The amounts shown for each category of operating expense on this attachment are the expected expenses for the first year of the Texas Stabilization M Bonds, Series 2025. Default Charges shall be adjusted at least semiannually to reflect any changes in ongoing through the true-up process described in this Debt Obligation Order.

**ATTACHMENT 2****SCHEDULE C****CALCULATION OF DEFAULT CHARGES**

| Date     | Bond Payments | Ongoing Costs | Total Nominal Default Charge Requirement | Present Value of Default Charges <sup>2</sup> |
|----------|---------------|---------------|--|---|
| 2/1/2026 | 12,750,424.59 | 198,544.44    | 12,948,969.03                            | 12,647,276.18                                 |
| 8/1/2026 | 13,746,708.49 | 214,000.00    | 13,960,708.49                            | 13,293,339.43                                 |
| 2/1/2027 | 13,750,835.11 | 214,000.00    | 13,964,835.11                            | 12,963,649.27                                 |
| 8/1/2027 | 13,755,072.10 | 214,000.00    | 13,969,072.10                            | 12,642,234.59                                 |
| 2/1/2028 | 13,759,422.40 | 214,000.00    | 13,973,422.40                            | 12,328,887.76                                 |
| 8/1/2028 | 13,763,889.05 | 214,000.00    | 13,977,889.05                            | 12,023,406.36                                 |
| 2/1/2029 | 13,768,475.17 | 214,000.00    | 13,982,475.17                            | 11,725,593.08                                 |
| 8/1/2029 | 13,773,183.93 | 214,000.00    | 13,987,183.93                            | 11,435,255.51                                 |
| 2/1/2030 | 13,778,018.63 | 214,000.00    | 13,992,018.63                            | 11,152,206.11                                 |
| 8/1/2030 | 13,782,982.64 | 214,000.00    | 13,996,982.64                            | 10,876,262.02                                 |
| 2/1/2031 | 13,788,079.41 | 214,000.00    | 14,002,079.41                            | 10,607,244.98                                 |
| 8/1/2031 | 13,793,312.50 | 214,000.00    | 14,007,312.50                            | 10,344,981.21                                 |
| 2/1/2032 | 13,798,685.55 | 214,000.00    | 14,012,685.55                            | 10,089,301.26                                 |
| 8/1/2032 | 13,804,202.28 | 214,000.00    | 14,018,202.28                            | 9,840,039.94                                  |
| 2/1/2033 | 13,809,866.58 | 214,000.00    | 14,023,866.58                            | 9,597,036.26                                  |
| 8/1/2033 | 13,815,682.36 | 214,000.00    | 14,029,682.36                            | 9,360,133.18                                  |
| 2/1/2034 | 13,821,653.69 | 214,000.00    | 14,035,653.69                            | 9,129,177.66                                  |
| 8/1/2034 | 13,827,784.71 | 214,000.00    | 14,041,784.71                            | 8,904,020.48                                  |
| 2/1/2035 | 13,834,079.71 | 214,000.00    | 14,048,079.71                            | 8,684,516.17                                  |
| 8/1/2035 | 13,840,543.08 | 214,000.00    | 14,054,543.08                            | 8,470,522.92                                  |
| 2/1/2036 | 13,847,179.30 | 214,000.00    | 14,061,179.30                            | 8,261,902.43                                  |

<sup>2</sup> Present value calculation to use a discount rate equal to the interest rate on the Texas Stabilization M Bonds, Series 2025 as required by PURA 39.601(e), and *Application of the Electric Reliability Council of Texas, Inc. for a Debt Obligation Order pursuant to Chapter 39 Subchapter M, of the Public Regulatory Act*, Docket No. 52321 Final Debt Obligation Order, Finding of Facts No 80 (October 14, 2021).

| Date     | Bond Payments | Ongoing Costs | Total Nominal Default Charge Requirement | Present Value of Default Charges <sup>2</sup> |
|----------|---------------|---------------|--|---|
| 8/1/2036 | 13,853,993.02 | 214,000.00    | 14,067,993.02                            | 8,058,519.95                                  |
| 2/1/2037 | 13,860,988.96 | 214,000.00    | 14,074,988.96                            | 7,860,244.03                                  |
| 8/1/2037 | 13,868,172.00 | 214,000.00    | 14,082,172.00                            | 7,666,946.56                                  |
| 2/1/2038 | 13,875,547.16 | 214,000.00    | 14,089,547.16                            | 7,478,502.65                                  |
| 8/1/2038 | 13,883,119.57 | 214,000.00    | 14,097,119.57                            | 7,294,790.53                                  |
| 2/1/2039 | 13,890,894.51 | 214,000.00    | 14,104,894.51                            | 7,115,691.48                                  |
| 8/1/2039 | 13,898,877.38 | 214,000.00    | 14,112,877.38                            | 6,941,089.77                                  |
| 2/1/2040 | 13,907,073.75 | 214,000.00    | 14,121,073.75                            | 6,770,872.56                                  |
| 8/1/2040 | 13,915,489.34 | 214,000.00    | 14,129,489.34                            | 6,604,929.85                                  |
| 2/1/2041 | 13,924,130.01 | 214,000.00    | 14,138,130.01                            | 6,443,154.42                                  |
| 8/1/2041 | 13,933,001.76 | 214,000.00    | 14,147,001.76                            | 6,285,441.69                                  |
| 2/1/2042 | 13,942,110.79 | 214,000.00    | 14,156,110.79                            | 6,131,689.75                                  |
| 8/1/2042 | 13,951,463.45 | 214,000.00    | 14,165,463.45                            | 5,981,799.23                                  |
| 2/1/2043 | 13,961,066.24 | 214,000.00    | 14,175,066.24                            | 5,835,673.25                                  |
| 8/1/2043 | 13,970,925.86 | 214,000.00    | 14,184,925.86                            | 5,693,217.37                                  |
| 2/1/2044 | 13,981,049.17 | 214,000.00    | 14,195,049.17                            | 5,554,339.50                                  |
| 8/1/2044 | 13,991,443.22 | 214,000.00    | 14,205,443.22                            | 5,418,949.88                                  |
| 2/1/2045 | 14,002,115.28 | 214,000.00    | 14,216,115.28                            | 5,286,961.01                                  |
| 8/1/2045 | 14,013,072.75 | 214,000.00    | 14,227,072.75                            | 5,158,287.55                                  |
| 2/1/2046 | 14,024,323.28 | 214,000.00    | 14,238,323.28                            | 5,032,846.34                                  |
| 8/1/2046 | 14,035,874.71 | 214,000.00    | 14,249,874.71                            | 4,910,556.28                                  |
| 2/1/2047 | 14,047,735.07 | 214,000.00    | 14,261,735.07                            | 4,791,338.31                                  |
| 8/1/2047 | 14,059,912.65 | 214,000.00    | 14,273,912.65                            | 4,675,115.37                                  |
| 2/1/2048 | 14,072,415.92 | 214,000.00    | 14,286,415.92                            | 4,561,812.31                                  |
| 8/1/2048 | 14,085,253.57 | 214,000.00    | 14,299,253.57                            | 4,451,355.87                                  |
| 2/1/2049 | 14,098,434.59 | 214,000.00    | 14,312,434.59                            | 4,343,674.65                                  |
| 8/1/2049 | 14,111,968.13 | 214,000.00    | 14,325,968.13                            | 4,238,699.02                                  |

**ATTACHMENT 3**

**FORM OF APPLICANT'S CERTIFICATION**



TAYLOR  
2705 West Lake Dr.  
Taylor, Texas 76774  
T: 512-248-3000

AUSTIN  
8000 Metropolitan Dr.  
Bldg. E, Suite 100  
Austin, Texas 78744  
T: 512-225-7000

ercot.com

Date: August 6, 2025

Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13362  
Austin, TX 78711-3326

Re: *Application of ERCOT for a debt obligation order, Docket No. 52321*

ERCOT (the "Applicant") submits this Certification pursuant to Ordering Paragraph No. 7B of the Debt Obligation Order in *Application of Electric Reliability Council of Texas, Inc. for a debt obligation order, Docket No. 52321* (the "Debt Obligation Order"). All capitalized terms not defined in this letter shall have the meanings ascribed to them in this Debt Obligation Order.

In its issuance advice letter dated August 6, 2025, the Applicant has set forth the following particulars of the subchapter M bonds:

Name of subchapter M bonds: **Texas Electric Market Stabilization Funding M LLC Texas Stabilization M Bonds, Series 2025**

SPE: **Texas Electric Market Stabilization Funding M LLC**

Closing Date: **Aug 14, 2025**

Amount Issued: **\$379,100,000**

Expected Amortization Schedule: **See Attachment 2, Schedule A to the Issuance Advice Letter**

Distributions to Investors: **Semi-annually beginning February 2026**

Weighted Average Coupon Rate: **5.147%**

Weighted Average Yield: **5.148%**

- The following actions were taken in connection with the design, marketing, structuring and pricing of the bonds:
- Including credit enhancement in the form of the true-up mechanism and funding the supplemental capital subaccount in the amount of 0.50% of the original principal amount of the Texas Stabilization M Bonds, Series 2025 deposited with the Indenture Trustee as collateral for the bonds.
- Achieved a Aaa ratings from one of the three major rating agencies.
- Selected initial purchasers that have relevant experience and execution capability.
- Provided the preliminary offering memorandum and term sheet by e-mail to prospective investors.
- Allowed sufficient time for investors to review the preliminary offering memorandum and preliminary term sheet and to ask questions regarding the transaction.
- Arranged for the issuance of a rating agency pre-sale report during the marketing period.
- During the period that the Subchapter M Bonds were marketed, held regular market update discussions with the initial purchasers to develop recommendations for pricing.
- Had multiple conversations with all of the initial purchasers before and during the marketing phase in which we stressed the requirements of the Debt Obligation Order.
- Developed and implemented a marketing plan designed to give each of the initial purchaser's incentives to aggressively market the Subchapter M Bonds to their customers and to reach out to a broad base of potential investors, including investors who have not previously purchased this type of security.
- Provided potential investors with access to an internet roadshow for viewing on repeated occasions at investors' convenience.
- Adapted the Subchapter M Bond offering to market conditions and investor demand at the time of pricing. Variables impacting the final structure of the transaction were evaluated including the length of average lives and maturity of the Subchapter M Bonds and interest rate requirements at the time of pricing so that the structure of the transaction would correspond to investor preferences and rating agency requirements for Aaa ratings, while meeting the requirements of the Debt Obligation Order.
- Worked with the Commission's designated representative to develop bond allocations, initial purchaser compensation and preliminary price guidance designed to achieve lowest interest rates consistent with market conditions.

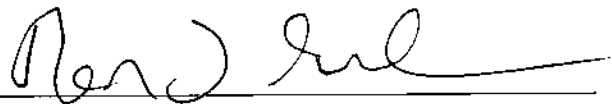


- Worked with the Commission and initial purchasers (and our counsel) to finalize documentation in accordance with established standards for transactions of this sort and the terms of the Debt Obligation Order.

Based upon information reasonably available to its officers, agents, and employees of Applicant, the Applicant hereby certifies that the structuring and pricing of the bonds, as described in the issuance advice letter, shall result in the lowest financing costs consistent with market conditions and the terms of this Debt Obligation all within the meaning of § 39.601 of PURA.

Respectfully Submitted,

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.

By:   
Richard Scheel  
Senior Vice President, Chief Financial Officer  
& Chief Risk Officer

**PUC DOCKET NO. 52709**

COMPLIANCE FILING FOR DOCKET NO. 52321 (APPLICATION OF ELECTRIC  
RELIABILITY COUNCIL OF TEXAS INC. FOR A DEBT OBLIGATION ORDER  
PURSUANT TO CHAPTER 39, SUBCHAPTER M, OF THE PUBLIC UTILITY  
REGULATORY ACT)

| PARTIES                                  | ADDRESS  |
|--|--|
| PUBLIC UTILITY COMMISSION                | PUBLIC UTILITY COMMISSION<br>1701 N. CONGRESS AVE SUITE 7-110<br>P.O. BOX 13326<br>AUSTIN, TX 78711<br>(512) 936-7377                                  |
| ELECTRIC RELIABILITY COUNCIL OF<br>TEXAS | CHAD V. SEELY, ESQ.<br>VICE PRESIDENT & GENERAL<br>COUNSEL<br>8000 METROPOLIS DRIVE<br>(BUILDING E) SUITE 100<br>AUSTIN, TEXAS 78744<br>(512) 225-7000 |
| ADAM GOODLETT                            | <a href="mailto:adam.goodlett@opuc.texas.gov">adam.goodlett@opuc.texas.gov</a>   |
| ADRIANNE M. WADDELL                      | <a href="mailto:adrienne.waddell@hklaw.com">adrienne.waddell@hklaw.com</a>   |
| ALAINA ZERMENO                           | <a href="mailto:alaina.zermeno@huschblackwell.com">alaina.zermeno@huschblackwell.com</a>   |
| ALEXANDRA CALABRO                        | <a href="mailto:acalabro@willkie.com">acalabro@willkie.com</a>   |
| ALISHA MEHTA                             | <a href="mailto:amehta@jw.com">amehta@jw.com</a>   |
| ALLISON DUENSING                         | <a href="mailto:aduensing@saracenenergy.com">aduensing@saracenenergy.com</a>   |
| ALLYSON N. HO                            | <a href="mailto:aho@gibsondunn.com">aho@gibsondunn.com</a>   |
| ANDREA KUNKEL                            | <a href="mailto:andrea.kunkel@bp.com">andrea.kunkel@bp.com</a>   |
| ANDREA STOVER                            | <a href="mailto:andrea.stover@bakerbotts.com">andrea.stover@bakerbotts.com</a>   |
| ANDY PERNY                               | <a href="mailto:andy.perny@austintexas.gov">andy.perny@austintexas.gov</a>   |
| AVERILL CONN                             | <a href="mailto:acn@vitol.com">acn@vitol.com</a>   |
| BETSY CARR                               | <a href="mailto:betsy.carr@bp.com">betsy.carr@bp.com</a>   |
| CARLOS CARRASCO                          | <a href="mailto:carlos.carrasco@haynesboone.com">carlos.carrasco@haynesboone.com</a>   |
| CARRIE COLLIER-BROWN                     | <a href="mailto:carrie.collierbrown@lockelord.com">carrie.collierbrown@lockelord.com</a>   |
| CASEY KHAN                               | <a href="mailto:ckhan@sidley.com">ckhan@sidley.com</a>   |
| CATHERINE J. WEBKING                     | <a href="mailto:cwebking@scottDoug.com">cwebking@scottDoug.com</a>   |
| CHAD JOHNSON                             | <a href="mailto:chad.johnson@huschblackwell.com">chad.johnson@huschblackwell.com</a>   |
| CHRIS REEDER                             | <a href="mailto:chris.reeder@huschblackwell.com">chris.reeder@huschblackwell.com</a>   |
| CHRISTOPHER KIRBY                        | <a href="mailto:ckirby@enochkever.com">ckirby@enochkever.com</a>   |
| CHRISTOPHER J. POLITO                    | <a href="mailto:cpolito@sidley.com">cpolito@sidley.com</a>   |
| CLARK, ELLIOT                            | <a href="mailto:eclark@winstead.com">eclark@winstead.com</a>   |

|                       |  |
|-----------------------|--|
| DANIEL KELLY          | <a href="mailto:dan.kelly@vistracorp.com">dan.kelly@vistracorp.com</a>                         |
| DEAN ELLIS            | <a href="mailto:dean.ellis@bp.com">dean.ellis@bp.com</a>                                       |
| DENNIS W. DONLEY, JR. | <a href="mailto:donley@namanhowell.com">donley@namanhowell.com</a>                             |
| DIANA LIEBMANN        | <a href="mailto:diana.liebmann@haynesboone.com">diana.liebmann@haynesboone.com</a>             |
| DIANA WOODMAN HAMMETT | <a href="mailto:diana.woodmanhammett@calpine.com">diana.woodmanhammett@calpine.com</a>         |
| ELEANOR D'AMBROSIO    | <a href="mailto:eleanor.dambrosio@puc.texas.gov">eleanor.dambrosio@puc.texas.gov</a>           |
| EMILY R. JOLLY        | <a href="mailto:emily.jolly@lcra.org">emily.jolly@lcra.org</a>                                 |
| EMMA F. HAND          | <a href="mailto:emma.hand@dentons.com">emma.hand@dentons.com</a>                               |
| GRACE M. DICKSON      | <a href="mailto:grace.dickson@dentons.com">grace.dickson@dentons.com</a>                       |
| HOLLY RACHEL SMITH    | <a href="mailto:hsmith@texasretailenergy.com">hsmith@texasretailenergy.com</a>                 |
| JACOB J. LAWLER       | <a href="mailto:jacob.lawler@hklaw.com">jacob.lawler@hklaw.com</a>                             |
| JAMES H. BARKLEY      | <a href="mailto:jim.barkley@bakerbotts.com">jim.barkley@bakerbotts.com</a>                     |
| JAY JADWIN            | <a href="mailto:jejadwin@aep.com">jejadwin@aep.com</a>   |
| JEFF CLARK            | <a href="mailto:Jeff.clark@poweralliance.org">Jeff.clark@poweralliance.org</a>                 |
| JEFFREY A. GOLLOMP    | <a href="mailto:jeffrey.gollomp@citi.com">jeffrey.gollomp@citi.com</a>                         |
| JENNIFER FERRI        | <a href="mailto:jferri@jw.com">jferri@jw.com</a>   |
| JENNIFER HARDY        | <a href="mailto:jhardy2@willkie.com">jhardy2@willkie.com</a>                                   |
| JENNIFER LITTLEFIELD  | <a href="mailto:jennifer.littlefield@haynesboone.com">jennifer.littlefield@haynesboone.com</a> |
| JOELLE K. OGG         | <a href="mailto:ogg@dc-energy.com">ogg@dc-energy.com</a>                                       |
| JOHN HUBBARD          | <a href="mailto:jhubbard@omm.com">jhubbard@omm.com</a>   |
| JUSTIN J. MIRABAL     | <a href="mailto:justin.mirabal@dentons.com">justin.mirabal@dentons.com</a>                     |
| JUSTIN R. COCKRELL    | <a href="mailto:cockrell@dc-energy.com">cockrell@dc-energy.com</a>                             |
| KATHERINE COLEMAN     | <a href="mailto:kcoleman@omm.com">kcoleman@omm.com</a>   |
| KEITH EMERY           | <a href="mailto:KEmer@tnsk.com">KEmer@tnsk.com</a>   |
| KENNETH IRVIN         | <a href="mailto:kirvin@sidley.com">kirvin@sidley.com</a>                                       |
| KRISTINA F. ROLLINS   | <a href="mailto:kristina.rollins@nrg.com">kristina.rollins@nrg.com</a>                         |
| LAMBETH TOWNSEND      | <a href="mailto:ltownsend@lglawfirm.com">ltownsend@lglawfirm.com</a>                           |
| LANDON LILL           | <a href="mailto:landon.lill@bakerbotts.com">landon.lill@bakerbotts.com</a>                     |
| LAUREN DAMEN          | <a href="mailto:lauren.damen.@nrg.com">lauren.damen.@nrg.com</a>                               |
| LEIGH SEBASTIAN       | <a href="mailto:leigh.sebastian@lcra.org">leigh.sebastian@lcra.org</a>                         |
| MAGGIE BERRY          | <a href="mailto:mberry@gsec.coop">mberry@gsec.coop</a>   |
| MANDY KIMBROUGH       | <a href="mailto:mkimbrough@enochkever.com">mkimbrough@enochkever.com</a>                       |
| MARIA FACONTI         | <a href="mailto:maria.faconti@huschblackwell.com">maria.faconti@huschblackwell.com</a>         |
| MARK C. DAVIS         | <a href="mailto:mark.davis@hklaw.com">mark.davis@hklaw.com</a>                                 |
| MATTHEW A. ARTH       | <a href="mailto:matthew.arth@lockelord.com">matthew.arth@lockelord.com</a>                     |
| MEGHAN GRIFFITHS      | <a href="mailto:mgriffiths@jw.com">mgriffiths@jw.com</a>                                       |
| MELISSA A. LORBER     | <a href="mailto:mlorber@enochkever.com">mlorber@enochkever.com</a>                             |
| MELISSA GAGE          | <a href="mailto:magage@aep.com">magage@aep.com</a>   |
| MICHAEL L. RAIFF      | <a href="mailto:mraiff@gibsondunn.com">mraiff@gibsondunn.com</a>                               |

|                              |  |
|------------------------------|--|
| MICHAEL MCMILLIN             | <a href="mailto:mmcmillin@omm.com">mmcmillin@omm.com</a>                             |
| MIGUEL HUERTA                | <a href="mailto:miguel@mhuertalaw.com">miguel@mhuertalaw.com</a>                     |
| MOSS, RON                    | <a href="mailto:rhmos@winstead.com">rhmos@winstead.com</a>                           |
| NOHA SIDHOM                  | <a href="mailto:noha@tpcenergyfund.com">noha@tpcenergyfund.com</a>                   |
| PATRICK LEAHY                | <a href="mailto:patrick.leahy@bakerbotts.com">patrick.leahy@bakerbotts.com</a>       |
| PAUL PANTANO, JR.            | <a href="mailto:ppantano@willkie.com">ppantano@willkie.com</a>                       |
| R. FLOYD WALKER              | <a href="mailto:floyd.walker@puc.texas.gov">floyd.walker@puc.texas.gov</a>           |
| REID BARNES                  | <a href="mailto:rbarnes@lglawfirm.com">rbarnes@lglawfirm.com</a>                     |
| RESMI SURENDRAN              | <a href="mailto:resmi.surendran@shell.com">resmi.surendran@shell.com</a>             |
| RYAN NORFOLK                 | <a href="mailto:Ryan.Norfolk@bakerbotts.com">Ryan.Norfolk@bakerbotts.com</a>         |
| SAMUEL A. SIEGEL             | <a href="mailto:samuel.siegel@vistracorp.com">samuel.siegel@vistracorp.com</a>       |
| SERENA KUVET                 | <a href="mailto:Serena.kuvet@ttstc.texas.gov">Serena.kuvet@ttstc.texas.gov</a>       |
| SHANNON K. MCCLENDON         | <a href="mailto:shannonk@webmclaw.com">shannonk@webmclaw.com</a>                     |
| SHELBY O'BRIEN               | <a href="mailto:sobrien@enochkever.com">sobrien@enochkever.com</a>                   |
| STEPHANIE C. SPARKS          | <a href="mailto:ssparks@vedderprice.com">ssparks@vedderprice.com</a>                 |
| STEPHANIE KOVER              | <a href="mailto:skover@scottdoug.com">skover@scottdoug.com</a>                       |
| STEPHANIE ZAPATA MOORE       | <a href="mailto:stephanie.moore@vistracorp.com">stephanie.moore@vistracorp.com</a>   |
| TAYLOR P. DENISON            | <a href="mailto:tdenison@lglawfirm.com">tdenison@lglawfirm.com</a>                   |
| TERENCE HEALEY               | <a href="mailto:thealey@sidley.com">thealey@sidley.com</a>                           |
| THOMAS L. BROCATO            | <a href="mailto:tbrocato@lglawfirm.com">tbrocato@lglawfirm.com</a>                   |
| THOMAS MEYERS                | <a href="mailto:tmmyers@aepes.com">tmmyers@aepes.com</a>                             |
| THOMAS MILLAR                | <a href="mailto:tmillar@willkie.com">tmillar@willkie.com</a>                         |
| TODD KIMBROUGH               | <a href="mailto:tkimbrough@balch.com">tkimbrough@balch.com</a>                       |
| TUCKER FULOW                 | <a href="mailto:tucker.furrow@opuc.texas.gov">tucker.furrow@opuc.texas.gov</a>       |
| WHITNEY BLANTON              | <a href="mailto:Whitney.blanton@ttstc.texas.gov">Whitney.blanton@ttstc.texas.gov</a> |
| WILLIAM A. "CODY" FAULK, III | <a href="mailto:cfaulk@lglawfirm.com">cfaulk@lglawfirm.com</a>                       |
| WILLIAM MOORE                | <a href="mailto:bmoore@enochkever.com">bmoore@enochkever.com</a>                     |
| WILLIAM W. RUSSELL           | <a href="mailto:wrussell@reedsmith.com">wrussell@reedsmith.com</a>                   |

### Certificate of Service

I hereby certify that a true and correct copy of the foregoing filing was filed on the Commission's Interchange website and served on all parties of record in this proceeding by electronic mail on August 6, 2025.

s/James. Doyle

**JAMES DOYLE**