

Texas Electric Market Stabilization Funding M LLC

(Issuing Entity)

PRICING TERM SHEET

\$379,100,000 Texas Stabilization Subchapter M Bonds, Series 2025 (the “Bonds”)

Issuing Entity: Texas Electric Market Stabilization Funding M LLC

Sponsor, Depositor and Initial Servicer: Electric Reliability Council of Texas, Inc.

Trustee: U.S. Bank National Association

Joint Bookrunners: Citigroup Global Markets Inc.

Barclays Capital Inc.

Expected Ratings (Moody’s): Aaa (sf)⁽¹⁾

Expected Settlement: August 14, 2025 (T+7)

The Issuing Entity expects to deliver the Bonds against payment for the Bonds on or about the date specified in the last paragraph of the cover page of the Offering Memorandum, which will be the seventh (7th) business day following the date of pricing of the Bonds. Since trades in the secondary market generally settle in one (1) business day, purchasers who wish to trade Bonds on the date of pricing or the succeeding five (5) business days will be required, by virtue of the fact that the Bonds initially will settle in T + 7, to specify alternative settlement arrangements to prevent a failed settlement.

Interest Payment Dates⁽²⁾: February 1 and August 1, commencing February 1, 2026

Applicable Time: 4:05 PM (Eastern time) on August 5, 2025

Proceeds: The total initial sale price is \$379,071,529.59. The total amount of the Initial Purchasers' discounts and commissions is \$1,516,400.00. The total amount of proceeds to the Issuing Entity before deduction of expenses (estimated to be \$2,624,782.60) is \$377,555,129.59. The distribution frequency is semi-annually. The first expected payment date is February 1, 2026.

Initial Subchapter M Securitized Default Charges and Subchapter N Securitized Uplift Charges as a Percentage of End Customer’s Bill: An estimate of the initial aggregate monthly Default Charges for the Bonds and the estimated aggregate initial monthly Default Charges for the Bonds together with the monthly Uplift Charges for the 2022 N Bonds would average approximately 0.18% and 1.08%, respectively, of the ERCOT-wide Average Real Time Energy Prices, as published by Potomac Economics, Ltd., the independent market monitor for the ERCOT power region, with the single highest monthly percent of prices in the ERCOT power region being approximately 0.48% and 2.91%, respectively (based on the 2022 through 2025 monthly data).

(1) A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

(2) In any case where the date on which payment is due shall not be a Business Day, then payment may be made on the next Business Day.

<u>Tranche</u>	<u>Expected Weighted Average Life (years)</u>	<u>Principal Amount Offered</u>	<u>Scheduled Final Payment Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Initial Price to Public</u>	<u>Sales Discounts and Commissions</u>	<u>Proceeds to Issuing Entity (Before Expenses)</u>
A	14.69	\$379,100,000.00	August 1, 2049	August 1, 2051	5.147%	99.99249%	0.40%	\$377,555,129.59

<u>Tranche</u>	<u>CUSIP (144A)</u>	<u>CUSIP (Reg S)</u>	<u>ISIN (144A)</u>	<u>ISIN (Reg S)</u>
A	88240P AB5	U8817P AA5	US882040PAB5	USU8817PAA58

The expected amortization schedule below sets forth the corresponding principal payment that is scheduled to be made on each payment date for the Bonds from the issuance date to the scheduled final payment date. Similarly, the expected outstanding principal balance schedule below sets forth the principal balance that is scheduled to remain outstanding on each payment date for the Bonds from the issuance date to the scheduled final payment date.

EXPECTED AMORTIZATION SCHEDULE

<u>Semi-Annual Payment Date</u>	<u>Tranche A</u>
February 1, 2026	\$3,698,896.09
August 1, 2026	\$4,085,761.08
February 1, 2027	\$4,195,034.76
August 1, 2027	\$4,307,230.97
February 1, 2028	\$4,422,427.86
August 1, 2028	\$4,540,705.69
February 1, 2029	\$4,662,146.87
August 1, 2029	\$4,786,835.98
February 1, 2030	\$4,914,859.91
August 1, 2030	\$5,046,307.84
February 1, 2031	\$5,181,271.34
August 1, 2031	\$5,319,844.45
February 1, 2032	\$5,462,123.69
August 1, 2032	\$5,608,208.18
February 1, 2033	\$5,758,199.71
August 1, 2033	\$5,912,202.76
February 1, 2034	\$6,070,324.63
August 1, 2034	\$6,232,675.46
February 1, 2035	\$6,399,368.36
August 1, 2035	\$6,570,519.47
February 1, 2036	\$6,746,248.01
August 1, 2036	\$6,926,676.42
February 1, 2037	\$7,111,930.38
August 1, 2037	\$7,302,138.95
February 1, 2038	\$7,497,434.66
August 1, 2038	\$7,697,953.55
February 1, 2039	\$7,903,835.32
August 1, 2039	\$8,115,223.39
February 1, 2040	\$8,332,265.04
August 1, 2040	\$8,555,111.47
February 1, 2041	\$8,783,917.93
August 1, 2041	\$9,018,843.81
February 1, 2042	\$9,260,052.79
August 1, 2042	\$9,507,712.90
February 1, 2043	\$9,761,996.69
August 1, 2043	\$10,023,081.29
February 1, 2044	\$10,291,148.60
August 1, 2044	\$10,566,385.36
February 1, 2045	\$10,848,983.34

Semi-Annual Payment Date	Tranche A
August 1, 2045	\$11,139,139.40
February 1, 2046	\$11,437,055.68
August 1, 2046	\$11,742,939.74
February 1, 2047	\$12,057,004.66
August 1, 2047	\$12,379,469.25
February 1, 2048	\$12,710,558.16
August 1, 2048	\$13,050,502.03
February 1, 2049	\$13,399,537.72
August 1, 2049	\$13,757,908.36
Total Payments⁽¹⁾	\$ 379,100,000.00

EXPECTED OUTSTANDING PRINCIPAL BALANCE SCHEDULE

Semi-Annual Payment Date	Tranche A Balance
Issuance Date	\$379,100,000.00
February 1, 2026	\$375,401,103.91
August 1, 2026	\$371,315,342.83
February 1, 2027	\$367,120,308.07
August 1, 2027	\$362,813,077.10
February 1, 2028	\$358,390,649.24
August 1, 2028	\$353,849,943.55
February 1, 2029	\$349,187,796.68
August 1, 2029	\$344,400,960.70
February 1, 2030	\$339,486,100.79
August 1, 2030	\$334,439,792.95
February 1, 2031	\$329,258,521.61
August 1, 2031	\$323,938,677.16
February 1, 2032	\$318,476,553.47
August 1, 2032	\$312,868,345.29
February 1, 2033	\$307,110,145.58
August 1, 2033	\$301,197,942.82
February 1, 2034	\$295,127,618.19
August 1, 2034	\$288,894,942.73
February 1, 2035	\$282,495,574.37
August 1, 2035	\$275,925,054.90
February 1, 2036	\$269,178,806.89
August 1, 2036	\$262,252,130.47
February 1, 2037	\$255,140,200.09
August 1, 2037	\$247,838,061.14
February 1, 2038	\$240,340,626.48
August 1, 2038	\$232,642,672.93
February 1, 2039	\$224,738,837.61
August 1, 2039	\$216,623,614.22
February 1, 2040	\$208,291,349.18
August 1, 2040	\$199,736,237.71
February 1, 2041	\$190,952,319.78
August 1, 2041	\$181,933,475.97
February 1, 2042	\$172,673,423.18
August 1, 2042	\$163,165,710.28
February 1, 2043	\$153,403,713.59
August 1, 2043	\$143,380,632.30
February 1, 2044	\$133,089,483.70
August 1, 2044	\$122,523,098.34
February 1, 2045	\$111,674,115.00
August 1, 2045	\$100,534,975.60
February 1, 2046	\$89,097,919.92
August 1, 2046	\$77,354,980.18
February 1, 2047	\$65,297,975.52
August 1, 2047	\$52,918,506.27
February 1, 2048	\$40,207,948.11
August 1, 2048	\$27,157,446.08
February 1, 2049	\$13,757,908.36
August 1, 2049	\$0.00

Initial Purchaser	Tranche A
Citigroup Global Markets Inc.	\$312,758,000
Barclays Capital Inc.	\$66,342,000
Total	\$379,100,000

This communication is confidential and is for your information only and is not intended to be used by anyone other than you. The information in this communication does not purport to be a complete description of these securities or the offering. For a complete description, please refer to the Preliminary Offering Memorandum and the Offering Memorandum (when available).

The Bonds have not been registered under the Securities Act of 1933, as amended (the “Securities Act”). This communication is being distributed to Qualified Institutional Buyers, as defined in Rule 144A under the Securities Act, and outside the United States to non-U.S. persons, as defined in Regulation S under the Securities Act.

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Citigroup Global Markets Inc. and Barclays Capital Inc. can arrange to send you a copy of the Preliminary Offering Memorandum and Offering Memorandum (when available) if you request it by calling Citigroup Global Markets Inc. toll-free at 1-800-831-9146 or by calling Barclays Capital Inc. toll free at 1-888-603-5847.