

PUC DOCKET NO. 52710

**COMPLIANCE FILING FOR DOCKET § PUBLIC UTILITY COMMISSION
NO. 52322 (APPLICATION OF §
ELECTRIC RELIABILITY COUNCIL §
OF TEXAS, INC. FOR A DEBT § OF TEXAS
OBLIGATION ORDER PURSUANT TO §
CHAPTER 39, SUBCHAPTER N, OF §
THE PUBLIC UTILITY §
REGULATORY ACT) §**

**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.'S
QUARTERLY TRUE-UP COMPLIANCE FILING AND
NOTICE OF UPLIFT CHARGE ADJUSTMENT**

MARCH 13, 2026

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**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.’S
QUARTERLY TRUE-UP COMPLIANCE FILING AND NOTICE OF UPLIFT CHARGE
ADJUSTMENT**

Pursuant to the Debt Obligation Order adopted by the Public Utility Commission of Texas (the Commission) in Docket No. 52322¹ (hereinafter, the Debt Obligation Order), Electric Reliability Council of Texas, Inc. (ERCOT), as the servicer of the bonds issued under Subchapter N of Chapter 39 of the Public Utility Regulatory Act (the Servicer), hereby submits its March 2026 quarterly true-up filing and notice of Uplift Charge adjustment (True-Up Filing). In support of this True-Up Filing, the Servicer respectfully shows as follows:

I. Background

On July 16, 2021, ERCOT filed an application for a debt obligation order from the Commission under Subchapter N of Chapter 39 of the Public Utility Regulatory Act (PURA) to securitize extraordinary costs incurred due to Winter Storm Uri. That proceeding was assigned Docket No. 52322. On October 13, 2021, the Commission issued a Debt Obligation Order that authorized the issuance of the debt obligations in an aggregate amount of up to \$2.1 billion (the Uplift Balance), plus upfront costs, and approved the assessment of Uplift

¹ *Application of the Electric Reliability Council of Texas, Inc. for a Debt Obligation Order Pursuant to Chapter 39, Subchapter N, of the Public Utility Regulatory Act*, Docket No. 52322, Final Debt Obligation Order, Findings of Fact Nos. 194 - 200 and Ordering Paragraphs Nos. 66 and 97 (Oct. 13, 2021) [hereinafter, the Debt Obligation Order].

Charges to all qualified scheduling entities (QSEs) representing load-serving entities (except those expressly exempted by PURA) in an amount sufficient to ensure the recovery of amounts expected to be necessary to timely provide all payments of debt service and other required amounts and charges in connection with the issuance of the debt obligations.² In accordance with the Debt Obligation Order, Texas Electric Market Stabilization N Funding LLC (the Issuer) issued, on June 15, 2022, the Texas Stabilization N Bonds, Series 2022 (the Stabilization N Bonds) in an aggregate principal amount of \$2,115,700,000.00. The Servicer began billing Uplift Charges, consistent with the requirements of the Debt Obligation Order, in August 2022. As Servicer for the Issuer, ERCOT bills, collects, receives, and adjusts the Uplift Charges imposed pursuant to the Uplift Property Servicing Agreement (the Servicing Agreement) that was entered into between the Issuer and the Servicer, dated June 15, 2022. The Servicer remits Uplift Charges received to the Indenture Trustee to repay the Stabilization N Bonds. The Debt Obligation Order, ERCOT Protocols, and the Servicing Agreement set out the terms and conditions under which the Uplift Charges will be billed and collected with respect to the Stabilization N Bonds.

The Debt Obligation Order requires, *inter alia*, the Servicer to review and adjust Uplift Charges to correct for any under-collections or over-collections from the preceding true-up period, to estimate any anticipated under-collections or over-collections for the current or upcoming true-up period, and to ensure the expected recovery of amounts sufficient to provide all payments of debt service.³ True-up adjustments are based on cumulative differences, regardless of the reason, between the periodic payment requirements and the amount of Uplift

² Any capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Debt Obligation Order.

³ The Debt Obligation Order, Findings of Fact Nos. 194 - 200 and Ordering Paragraphs Nos. 66 and 97.

Charge remittances made to the Indenture Trustee by the Servicer. In accordance with the Debt Obligation Order, the Servicer is providing this quarterly calculation and notice of adjustment.⁴

This True-Up Filing reflects a need to slightly decrease the daily Uplift Charges. The decrease of \$4,778 is primarily attributable to the (i) higher than expected interest income earned on the subaccounts held by the Trustee securing Stabilization N Bonds during the last true up period and the amounts earned and anticipated to be earned during the current true-up period and (ii) the balance in the Excess Funds Subaccount. Therefore, as shown in Attachment 1 and the accompanying Work Papers to this True-Up Filing, the daily Uplift Charges should be slightly decreased from \$394,512 to \$389,734 effective May 1, 2026.

II. Purpose of Filing and Jurisdiction

The Servicer is submitting its quarterly True-Up Filing in accordance with Debt Obligation Order, Findings of Fact Nos. 196-197 & 200 and Ordering Paragraphs No. 33 and 66. The Commission has jurisdiction over true-up calculations and adjustments pursuant to PURA § 39.653.

III. Notice

In accordance with Section 4.01(e)(i)(B) of the Servicing Agreement, a copy of this True-Up Filing is being sent to the following parties:

Texas Electric Market Stabilization Funding N
LLC:

Texas Electric Market Stabilization Funding N
LLC
8000 Metropolis Drive (Building E), Suite 100
Austin, Texas 78744
Attn: Chief Executive Officer

⁴ *Id.* at Findings of Fact Nos. 196-97 & 200 and Ordering Paragraph No. 66.

U.S. Bank Trust Company, National Association: U.S. Bank Trust Company, National Association
190 S. LaSalle Street, 7th Floor
Chicago, Illinois 60603
Attn: Corporate Trust Services-TX Stabilization
N Bonds

IV. Quarterly Calculation & True-Up Adjustment

Findings of Fact Nos. 194-200 of the Debt Obligation Order set forth the procedures related to mandatory quarterly true-up calculations and true-up adjustments. Finding of Fact No. 197 and Ordering Paragraph 33 of the Debt Obligation Order require the Servicer to provide a quarterly true-up calculation (the Quarterly Calculation) each quarter following the closing of the Stabilization N Bonds. If the Quarterly Calculation projects over-collections or under-collections of the Uplift Charges from the preceding true-up period or estimated anticipated under-collections or over-collections of the Uplift Charges for the current or upcoming true-up periods, the Servicer must implement a true-up adjustment in accordance with the standard true-up procedure.

The Quarterly Calculation requires the Servicer to (i) calculate under-collections or over-collections for the preceding true-up period by subtracting the previous period's Uplift Charge revenues collected from the periodic billing requirement determined for the same period; (ii) estimate any anticipated under-collections or overcollections for the current or upcoming true-up period; (iii) calculate the periodic billing requirement for the upcoming true-up period, taking into account the total amount of prior and anticipated over-collection and under-collection amounts described in steps (i) and (ii) above, and calculate the daily amortization amount for the periodic billing requirement; and (iv) assess the updated daily amortization amount to each QSE in accordance with the Uplift Charges assessment methodology.⁵ The required Quarterly Calculation

⁵ *Id.* at Finding of Fact No. 200a.

is provided on Attachment 1 and the accompanying Work Papers and results in a slight decrease of the daily Uplift Charges from \$394,512 to \$389,734.

V. Timing of Quarterly Calculation and Effective Date of True-Up Adjustment

The Servicer is required to provide the Quarterly Calculation on a quarterly basis following the closing date of the Stabilization N Bonds, which occurred on June 15, 2022. Therefore, this Quarterly Calculation is timely filed.

In addition to filing the Quarterly Calculation, the Servicer is required to file notice regarding quarterly true-up adjustments with the Commission not less than forty-five (45) days prior to the first billing cycle of the month in which the revised Uplift Charges shall come into effect.⁶ The Servicer proposes an effective date of the revised Uplift Charges to be the May 1, 2026 billing period. In accordance with Finding of Fact No. 205 of the Debt Obligation Order, the Commission has fifteen (15) days after the date of this filing to confirm the true-up adjustment complies with PURA and the Debt Obligation Order. Any true-up adjustment filed with the Commission is effective on its proposed effective date, which will not be less than fifteen (15) days after filing. Any necessary corrections to the adjusted Uplift Charge due to mathematical errors in the calculation of the Uplift Charge will be made in future true-up adjustments.

⁶ Servicing Agreement at Section 4.01(e)(i)(A).

VI. Conclusion and Prayer

Based on the foregoing, the Servicer respectfully requests that the Commission, or another Presiding Officer with delegated authority, issue an order confirming this True-Up Filing complies with PURA and the Debt Obligation Order.

Respectfully submitted,

/s/ Katherine Gross _____

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ATTORNEYS FOR ELECTRIC
RELIABILITY COUNCIL OF TEXAS, INC.

Dated March 13, 2026

Attachment 1
Quarterly True-Up

For the prior true-up period December 1, 2025 through February 28, 2026	Amounts
Beginning Excess Subaccount Balance	\$1,785,121
Ending Excess Subaccount Balance	\$153,222
INFLOWS	
Periodic billing requirements for the above true-up period	\$34,588,914
Amounts transferred to Trust through February 28, 2026	\$35,910,036
Interest Earnings on Subaccounts through February 28, 2026	\$474,450
For the current true-up period March 1, 2026 through May 31, 2026	
Periodic billing requirement for the above true-up period	\$36,146,986
Anticipated funds to be transferred to Trust through May 31, 2026	\$36,295,104
For the upcoming true-up period June 1, 2026 through August 31, 2026	
Periodic billing requirements for the above true-up period	\$35,855,528
Anticipated funds to be transferred to Trust through August 31, 2026	\$36,295,104
Total Inflows	\$108,974,694
OUTFLOWS	
Anticipated outflow on August 1, 2026 payment date	\$72,065,257
Projected Net (Shortfall)/Surplus	
Daily Uplift Charges commencing May 1, 2026	\$389,734
Current Daily Uplift Charges	\$394,512
True Up Increase/(Decrease)	(\$4,778)

STABILIZATION N BOND WORKPAPERS

AMOUNTS TRANSFERRED TO TRUST THROUGH FEB28 2026

	<u>Amount Transferred</u>	<u>Interest Earned on Capital Subaccount</u>	<u>Interest Earned on Excess Subaccount</u>	<u>Interest Earned on General Subaccount</u>
DEC	\$12,522,535	\$34,012	\$5,593	\$165,866
JAN	\$12,454,600	\$32,881	\$5,143	\$184,176
FEB	\$10,932,901	\$28,852	\$418	\$17,509
TOTAL	\$35,910,036	\$95,745	\$11,154	\$367,551
			Total Interest	\$474,450
			Total Inflows	\$36,384,486

	<u>Amount Anticipated to be Transferred</u>
MAR	\$12,229,872
APR	\$11,835,360
MAY	\$12,229,872
TOTAL	\$36,295,104

	<u>Amount Anticipated to be Transferred</u>
JUN	\$11,835,360
JUL	\$12,229,872
AUG	\$12,229,872
TOTAL	\$36,295,104