



# FINANCIAL STATEMENTS

Texas Electric Market Stabilization Funding N, LLC

For the Years Ended December 31, 2025 and 2024

Together with the Independent Auditors' Report

*April 22, 2026*

Texas Electric Market Stabilization Funding N, LLC.

Financial Statements

As of and for the Years Ended  
December 31, 2025 and 2024

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## Independent Auditors' Report

To the Board of Managers of  
Texas Electric Market Stabilization Funding N, LLC

### Opinion

We have audited the financial statements of Texas Electric Market Stabilization Funding N, LLC (the Company), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Baker Tilly US, LLP*

Austin, Texas  
April 22, 2026

Texas Electric Market Stabilization Funding N, LLC.

Statements of Financial Position

	<b>As of December 31</b>	
	<b>2025</b>	<b>2024</b>
	<i>(In Thousands)</i>	
<b>Assets</b>		
Current assets:		
Securitization charges receivable, current	\$ 46,183	\$ 42,894
Interest receivable	220	262
Receivable from ERCOT	726	1,125
Restricted cash and cash equivalents, current	65,220	65,298
Total current assets	<u>112,349</u>	<u>109,579</u>
Restricted cash equivalents, non-current	10,579	10,579
Securitization charges receivable, non-current	1,915,548	1,961,941
Total assets	<u>\$ 2,038,476</u>	<u>\$ 2,082,099</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accrued liabilities	\$ 40,454	\$ 41,261
Payable to ERCOT	697	745
Security deposits	4,865	3,875
Debt payable, current portion	46,348	44,504
Total current liabilities	<u>92,364</u>	<u>90,385</u>
Debt payable, less current portion:		
Principal	1,946,583	1,992,932
Less unamortized discount and debt issuance costs	11,050	11,797
Debt payable, less current portion and unamortized discount and debt issuance costs	<u>1,935,533</u>	<u>1,981,135</u>
Total liabilities	<u>2,027,897</u>	<u>2,071,520</u>
Net assets without donor restrictions	10,579	10,579
Total liabilities and net assets	<u>\$ 2,038,476</u>	<u>\$ 2,082,099</u>

See accompanying notes to the financial statements.



Texas Electric Market Stabilization Funding N, LLC.

Statements of Activities

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
<b>Operating revenues:</b>		
Securitization charges fees	\$ 98,040	\$ 99,444
Total operating revenues	<b>98,040</b>	99,444
<b>Operating expenses:</b>		
Outside services	1,225	1,131
Other	1	1
Total operating expenses	<b>1,226</b>	1,132
Income from operations	<b>96,814</b>	98,312
<b>Other income (expense):</b>		
Investment return, net	1,532	1,906
Interest expense and amortization of debt issuance cost	<b>(98,346)</b>	(100,218)
Change in net assets without donor restrictions	-	-
Net assets without donor restrictions, beginning of year	<b>10,579</b>	10,579
Net assets without donor restrictions, end of year	<b>\$ 10,579</b>	\$ 10,579

See accompanying notes to the financial statements.

Texas Electric Market Stabilization Funding N, LLC.

Statements of Cash Flows

	Year Ended December 31	
	2025	2024
	<i>(In Thousands)</i>	
<b>Operating activities</b>		
Change in net assets without donor restrictions	\$ -	\$ -
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:		
Amortization of debt issuance costs and discount	747	747
Changes in operating assets and liabilities:		
Securitization charges receivable	43,503	42,659
Interest receivable	(3)	39
Accrued liabilities	(810)	(758)
Payable to ERCOT	-	(5)
Security deposits	990	543
Net cash provided by operating activities	<u>44,427</u>	<u>43,225</u>
<b>Financing activities</b>		
Prepayment of debt payable	(44,505)	(42,732)
Net cash (used in) financing activities	<u>(44,505)</u>	<u>(42,732)</u>
Net (decrease) increase in		
restricted cash and cash equivalents	(78)	493
Restricted cash and cash equivalents, beginning of year	75,877	75,384
Restricted cash and cash equivalents, end of year	<u>\$ 75,799</u>	<u>\$ 75,877</u>

See accompanying notes to the financial statements.

Texas Electric Market Stabilization Funding N, LLC.

Statements of Cash Flows (Continued)

As of and for the Year  
Ended December 31

2025 2024

(In Thousands)

**Supplemental information**

Cash paid for interest

\$ 98,389 \$ 100,230

**Reconciliation of restricted cash and cash equivalents  
to the Statements of Financial Position**

Restricted cash and cash equivalents, current

\$ 65,220 \$ 65,298

Restricted cash equivalents, non-current

10,579 10,579

Total restricted cash and cash equivalents

\$ 75,799 \$ 75,877

See accompanying notes to the financial statements

# Texas Electric Market Stabilization Funding N, LLC.

## Notes to Financial Statements *(Dollars in Thousands)*

*As of and for the Years Ended  
December 31, 2025 and 2024*

### **1. Organization and Operations**

Texas Electric Market Stabilization Funding N LLC (TEMSFN, or the Company) was established to facilitate the financing under a Debt Obligation Order. As a result of Winter Storm Uri, extraordinary prices in the wholesale electricity market caused some wholesale market participants to default on their payment obligations to Electric Reliability Council of Texas, Inc. (ERCOT) for power under the ERCOT Nodal Protocols. As a result of these payment defaults, ERCOT was unable to fully settle obligations to certain wholesale market participants who were due payments from defaulting market participants for the power they produced during the storm. To address these problems, the Texas Legislature, during the 87th legislative session, enacted two bills that authorized financing mechanisms to provide funds to pay market participants who were previously short-paid and provide liquidity to market participants. One of these bills, House Bill 4492, added Subchapters M and N to chapter 39 of the Public Utility Regulatory Act (PURA) and each provided authority for a financing mechanism to address different aspects of the extraordinary costs incurred due to Winter Storm Uri, with Subchapter M authorizing up to \$800,000 and Subchapter N authorizing up to \$2,100,000, plus reasonable costs.

On October 13, 2021, the Public Utility Commission of Texas (PUCT) approved ERCOT's application for a Debt Obligation Order (The Order) under PURA § 39.653 (Subchapter N) and issued The Order.

The Order approves the uplift balance up to \$2,100,000, plus reasonable costs; approves the mechanisms to calculate and assess uplift charges to repay the uplift balance and other amounts necessary to implement The Order; approves bonds to be issued through a special purpose entity to finance the uplift balance; and approves the securitization of uplift charges and the creation of uplift property.

# Texas Electric Market Stabilization Funding N, LLC.

## Notes to Financial Statements (Dollars in Thousands)

*As of and for the Years Ended  
December 31, 2025 and 2024*

### **1. Organization and Operations (continued)**

TEMSFN is a Delaware limited liability company with ERCOT as its sole member, and a disregarded entity for tax purposes. It was incorporated on December 2, 2021, for the limited purpose of (a) imposing, collecting, and receiving uplift charges and acquiring uplift property and related assets to support its obligations under the Texas Market Stabilization N bonds, (b) issuing Texas Market Stabilization N bonds in one or more series, and (c) performing other activities relating thereto or otherwise authorized by The Order. On June 15, 2022, TEMSFN issued \$2,115,700 of Texas Market Stabilization N Bonds, Series 2022, pursuant to The Order (see Note 6). ERCOT is the servicer and administrator of the Texas Market Stabilization N Bonds, Series 2022. Neither the Company nor ERCOT is an asset-backed issuer, and the bonds are not asset-backed securities as such terms are defined by the Securities and Exchange Commission (SEC) in Item 1101 of Regulation AB.

The bonds were offered in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act, and outside the United States to entities which are not “U.S. persons” as defined in, and in compliance with, regulations under the Securities Act. The bonds will not be registered under the Securities Act or any state securities or “Blue Sky” laws and were offered and sold in reliance upon exemption from the registration requirements of the Securities Act and such laws.

### **2. Summary of Significant Accounting Policies**

#### **Method of Accounting**

The accompanying financial statements have been prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### **Net Assets Without Donor Restrictions**

Net assets without donor restrictions are those that are not subject to donor restrictions or stipulations and that may be expendable for any purpose in performing TEMSFN’s objectives. Accordingly, net assets of TEMSFN and changes therein are classified and reported as net assets without donor restrictions. The Company has no net assets with donor restrictions.

# Texas Electric Market Stabilization Funding N, LLC.

## Notes to Financial Statements (Dollars in Thousands)

As of and for the Years Ended  
December 31, 2025 and 2024

### 2. Summary of Significant Accounting Policies (continued)

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities of the financial statements and reported amounts of revenues, expenses, and capital expenditures during the reporting period. Actual results could differ from those estimates.

#### Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consist of deposits in banks and money market investment accounts with original maturities of 90 days or less. Restricted cash and cash equivalents, current, consist of security deposits from responsible Qualified Scheduling Entities (QSEs) representing obligated Load Serving Entities (LSEs) within the ERCOT wholesale market subject to Subchapter N (see Note 2 Security Deposits), and payments collected from securitization charges receivable. Restricted cash equivalents, non-current, are capital contribution from ERCOT.

Capital contribution from ERCOT and payments collected from securitization charges receivable are deposited to a trust account held by the indenture trustee as collateral to ensure timely payment of debt principal and interest. The trustee shall have sole dominion and exclusive control over all money collected from securitization charges receivable.

As of December 31, restricted cash and cash equivalents consist of below:

	<b>2025</b>	<b>2024</b>
Security Deposits	\$ 4,865	\$ 3,875
Payments collected from		
securitization charges receivable	60,175	61,202
Interest income from ERCOT capital contribution	180	221
Restricted cash and cash equivalent, current	65,220	65,298
Capital contribution from ERCOT	10,579	10,579
Restricted cash equivalent, non-current	10,579	10,579
Total	\$ 75,799	\$ 75,877

# Texas Electric Market Stabilization Funding N, LLC.

## Notes to Financial Statements (Dollars in Thousands)

*As of and for the Years Ended  
December 31, 2025 and 2024*

### **2. Summary of Significant Accounting Policies (continued)**

#### **Custodial Credit Risk**

TEMSFN maintains cash balances at financial institutions, which, at times, may exceed Federal Deposit Insurance Corporation (FDIC) limits and are exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, TEMSFN's deposits may not be returned. TEMSFN has not experienced, nor does it anticipate, any losses with respect to such cash deposits.

#### **Securitization Charges Receivable and Revenue Recognition**

As described in Note 1 Organization and Operations, TEMSFN is approved to finance the uplift balance under The Order through Texas Market Stabilization N Bonds, Series 2022 and performs other activities relating thereto or otherwise authorized by The Order. TEMSFN has the rights to impose, collect, and receive uplift charges (securitization charges) along with the other rights arising under The Order.

As the issuer of Texas Market Stabilization N Bonds, Series 2022, TEMSFN has the performance obligations to maintain and service the bonds. Ongoing expenses associated with the performance obligations and interest on the bonds are recovered through securitization charges fees revenue. Responsible QSEs representing obligated LSEs within the ERCOT wholesale market are billed daily on a load ratio share basis in an amount sufficient to ensure the recovery of securitization charges receivable and ongoing expenses. Each securitization invoice payment is due by 5:00pm on the second bank business day after the invoice date.

Revenue is recognized over time when related services are provided, and related expenses are incurred.

Texas Electric Market Stabilization Funding N, LLC.

Notes to Financial Statements  
(Dollars in Thousands)

As of and for the Years Ended  
December 31, 2025 and 2024

**2. Summary of Significant Accounting Policies (continued)**

**Securitization Charges Receivable and Revenue Recognition (continued)**

The following table provides information about receivables, contract assets, and contract liabilities from contracts with customers at December 31.

	<b>2025</b>	<b>2024</b>	<b>2023</b>
Receivables-current	\$ <b>46,183</b>	\$ 42,894	\$ 41,440
Receivables-non-current	<b>1,915,548</b>	1,961,941	2,006,458

Receivables-current and receivables-non-current are comprised solely of securitization charges receivable, current and non-current, respectively, and are represented that way on the statements of financial position.

Non-contract related receivables on the statements of financial position on December 31, 2025 and 2024 include \$726 and \$1,125, respectively, receivable from ERCOT for securitization charges collected by ERCOT not transferred to TEMSFN yet (see Note 8 Related Party Transactions), and \$220 and \$262, respectively, interest receivable from money market funds investments.

TEMSFN has no significant continuing obligation and collection is reasonably assured. The Company does not maintain credit losses accounts as it does not believe it has a material risk of loss associated with lack of collection.

**Accrued Liabilities**

Accrued liabilities are expenses that TEMSFN has incurred but hasn't yet been billed for. As of December 31, the accrued liabilities consist of below:

	<b>2025</b>	<b>2024</b>
Debt interest payable	\$ <b>40,400</b>	\$ 41,191
Accrued fees liabilities	<b>54</b>	70
Total	<b>\$ 40,454</b>	\$ 41,261

# Texas Electric Market Stabilization Funding N, LLC.

## Notes to Financial Statements (Dollars in Thousands)

*As of and for the Years Ended  
December 31, 2025 and 2024*

### **2. Summary of Significant Accounting Policies (continued)**

#### **Security Deposits**

Pursuant to The Order, each responsible QSE representing obligated LSE subject to securitization charges is required to provide a cash deposit or letter of credit equal to two months of projected securitization charges. TEMSFN is required to remit interest earned on security deposits to QSEs. Although ERCOT is the servicer for the assessment and collection of securitization charges, TEMSFN is granted a secured interest in the security deposits to secure its obligation to pay the same.

Security deposits represent the cash deposits received as of December 31, 2025 and 2024 are \$4,865 and \$3,875 respectively.

#### **Income Taxes**

TEMSFN is classified as a disregarded entity for tax purposes. Accordingly, no provision for income taxes or uncertain tax positions has been reflected in the financial statements.

#### **Debt Issuance Costs**

TEMSFN capitalizes issuance costs related to debt. The amounts are presented as a direct deduction from the debt liability and amortized over the life of the debt.

#### **Operating Income**

The Company presents operating income (loss) as a measure of financial performance on the statement of activities. Operating income (loss) includes all revenues and expenses that are an integral part of the Company's programs and supporting activities and that are expected to recur on an annual basis.

Operating revenues include securitization charge fees earned in the course of the Company's ongoing activities.

Operating expenses include program services and supporting services expenses incurred in carrying out the Company's mission.

# Texas Electric Market Stabilization Funding N, LLC.

## Notes to Financial Statements (Dollars in Thousands)

As of and for the Years Ended  
December 31, 2025 and 2024

### 2. Summary of Significant Accounting Policies (continued)

#### Operating Income (continued)

TEMSFN's definition of operating income (loss) is consistently applied from period to period and is intended to reflect the results of activities that are central to the Company's mission and ongoing operations.

### 3. Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation.

### 4. Liquidity and Availability

As a special purpose entity solely to provide for the financing of the uplift balance to be repaid by responsible QSEs representing obligated LSEs in the ERCOT wholesale market, TEMSFN's general expenditures include payment of bond principal and interest, administrative and servicing fees paid to ERCOT, and debt service-related costs. Financial assets available for general expenditures within one year of the statements of financial position date, comprise the following:

	<b>2025</b>	<b>2024</b>
Restricted cash equivalents, net of security deposits	\$ 70,934	\$ 72,002
Securitization charges receivable, current	46,183	42,894
Receivable from ERCOT	726	1,125
Interest receivable, net	205	250
Total	<b>\$ 118,048</b>	<b>\$ 116,271</b>

# Texas Electric Market Stabilization Funding N, LLC.

## Notes to Financial Statements (Dollars in Thousands)

*As of and for the Years Ended  
December 31, 2025 and 2024*

### **4. Liquidity and Availability (continued)**

The balance of interest receivable on the statements of financial position as of December 31, 2025 and 2024 also includes \$15 and \$12, respectively, interest receivable from security deposits investment that TEMSFN is required to remit to the market participants. This portion is not included in the financial assets available for general expenditures.

To ensure the timely payment of general expenditures, the Company bills and collects the securitization charges daily in an amount that is sufficient to recover the Company's general expenditures. In addition, security such as letters of credit and cash security deposits provided by responsible QSEs representing obligated LSEs in the ERCOT wholesale market can be drawn on if they cannot make their timely payment, following the ERCOT Nodal Protocols (see Note 2 Security Deposits).

### **5. Fair Value Measurement**

The Company measures certain financial assets at fair value in accordance with ASC 820, *Fair Value Measurement*. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company's financial assets measured at fair value on a recurring basis consist of investments in money market mutual funds that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient. These investments are not classified within the fair value hierarchy.

## Texas Electric Market Stabilization Funding N, LLC.

### Notes to Financial Statements (Dollars in Thousands)

*As of and for the Years Ended  
December 31, 2025 and 2024*

#### 5. Fair Value Measurement (Continued)

Investments measured at fair value using NAV per share as a practical expedient are as follows at December 31, 2025 and 2024:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
<b>December 31, 2025</b>				
Restricted cash equivalents, current	\$ 65,215	None	Daily	None
Restricted cash equivalents, non-current	10,579	None	Daily	None
Total assets at fair value	<u>\$ 75,794</u>			
<b>December 31, 2024</b>				
Restricted cash equivalents, current	\$ 64,631	None	Daily	None
Restricted cash equivalents, non-current	10,579	None	Daily	None
Total assets at fair value	<u>\$ 75,210</u>			

#### 6. Debt Payable

On June 15, 2022, the Company issued \$2,115,700 of Texas Market Stabilization N Bonds, Series 2022, tranches A-1, A-2, A-3 and A-4, pursuant to The Order (see Note 1 Organization and Operations). The bonds proceeds were allocated to first pay upfront costs, before payout to finance the ERCOT wholesale market. The bonds have target scheduled final payment dates ranging from approximately 12 years to 28 years and final maturities not exceeding 30 years from the date of issuance. Payments of the bonds are semi-annual, beginning February 1, 2023. On December 31, 2025 and 2024, the unamortized debt issuance costs were \$10,918 and \$11,657, respectively, and unamortized bond discounts were \$132 and \$140, respectively. As of December 31, 2025, the bonds comprise each tranche as following:

Texas Electric Market Stabilization Funding N, LLC.

Notes to Financial Statements  
(Dollars in Thousands)

As of and for the Years Ended  
December 31, 2025 and 2024

6. Debt Payable (continued)

Scheduled

Tranche	Principal Amount Offered	Final Payment Date	Final Maturity Date	Interest Rate	Outstanding Principal	Unamortized Bond Discount	Unamortized Debt Issuance Cost
A-1	\$ 600,000	8/1/2034	8/1/2036	4.265%	\$ 477,231	\$ 6	\$ 2,718
A-2	600,000	2/1/2042	2/1/2044	4.966%	600,000	47	3,146
A-3	457,900	8/1/2046	8/1/2048	5.057%	457,900	39	2,500
A-4	457,800	2/1/2050	2/1/2052	5.167%	457,800	40	2,554
<b>Total</b>	<b>\$ 2,115,700</b>				<b>\$ 1,992,931</b>	<b>\$ 132</b>	<b>\$ 10,918</b>

Under PURA § 39.653(h), the Texas Market Stabilization N Bonds, Series 2022 authorized to be issued under The Order are a nonrecourse debt secured solely by the uplift charges created by The Order and explicitly assessed to repay the Texas Market

Stabilization N Bonds, Series 2022 (including the uplift property as well as earnings from the investment and reinvestment of uplift charges). The Texas Market Stabilization N

Bonds, Series 2022 authorized to be issued under The Order and PURA § 39.653 do not create a personal liability for ERCOT.

Texas Electric Market Stabilization Funding N, LLC.

Notes to Financial Statements  
(Dollars in Thousands)

As of and for the Years Ended  
December 31, 2025 and 2024

**6. Debt Payable (continued)**

Future maturities of the debt payable are as follows:

**Texas Market Stabilization N Bonds, Series 2022**

	A-1	A-2	A-3	A-4	Total
Year Ending December 31:					
2026	\$ 46,348	\$ -	\$ -	\$ -	46,348
2027	48,269	-	-	-	48,269
2028	50,269	-	-	-	50,269
2029	52,352	-	-	-	52,352
2030	54,522	-	-	-	54,522
Thereafter through 2050	225,471	600,000	457,900	457,800	1,741,171
	<b>\$ 477,231</b>	<b>\$ 600,000</b>	<b>\$ 457,900</b>	<b>\$ 457,800</b>	<b>\$ 1,992,931</b>

**7. Expenses by Nature and Function**

As a special purpose entity solely to provide for the financing of the uplift balance to be repaid by ERCOT market participants, TEMSFN's expenses are all contributed to program services. Expenses are presented by nature on the statements of activities.

**8. Related Party Transactions**

TEMSFN is a Delaware limited liability company with ERCOT as its sole member. ERCOT is the servicer and administrator of the Texas Market Stabilization N Bonds, Series 2022. As a result, TEMSFN pays ERCOT for the beforementioned administrative services. At times, ERCOT pays bills and receives payments on behalf of TEMSFN. As of December 31, the intercompany transactions and balances are listed as below:

# Texas Electric Market Stabilization Funding N, LLC.

## Notes to Financial Statements (Dollars in Thousands)

As of and for the Years Ended  
December 31, 2025 and 2024

### 8. Related Party Transactions (continued)

	2025	2024
Debt service and administration expenses recognized throughout the year	\$ 1,158	\$ 1,158
Receivable from ERCOT for securitization charges received by ERCOT not transferred to TEMSFN yet	\$ 726	\$ 1,125
Payable to ERCOT for debt service and administration expenses	\$ 482	\$ 482
Payable to ERCOT for expenses paid by ERCOT on behalf of TEMSFN	\$ -	\$ 1
Payable to ERCOT for interest income earned on capital contribution	\$ 215	\$ 262

### 9. Contingencies

Management is not aware of any pending or threatened litigation, claims or assessments as of December 31, 2025.

### 10. Subsequent Events

TEMSFN has evaluated material subsequent events through April 22, 2026, the date the Company's financial statements were available to be issued. TEMSFN is not aware of any material subsequent events.