PUC DOCKET NO. 52710

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

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 (Commission) in Docket No. 52322 (Debt Obligation Order),[1] 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[2] (Servicer), hereby submits its September 2026 quarterly true-up filing and notice of Uplift Charge adjustment (True-Up Filing). In support of this True-Up Filing, ERCOT respectfully shows as follows:

I. Background

On July 16, 2021, ERCOT filed an application in Docket No. 52322 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. 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 (Uplift Balance), plus upfront costs, and approved the assessment of Uplift Charges to all Qualified Scheduling

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[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 (Oct. 13, 2021). Any capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Debt Obligation Order.

[2] Public Utility Regulatory Act, TEX. UTIL. CODE §§ 11.001-66.017 (PURA).

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.

In accordance with the Debt Obligation Order, Texas Electric Market Stabilization N Funding LLC (Issuer) issued, on June 15, 2022, the Texas Stabilization N Bonds, Series 2022 (Stabilization N Bonds), in an aggregate principal amount of $2,115,700,000.00. ERCOT as 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 (Servicing Agreement) that was entered into between the Issuer and the Servicer, dated June 15, 2022. ERCOT 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 Charge remittances made to the Indenture Trustee by the Servicer. In accordance with the

[3] Debt Obligation Order, Findings of Fact Nos. 194–200 and Ordering Paragraphs Nos. 66 and 97.

Debt Obligation Order, the Servicer is providing this quarterly calculation and notice of adjustment.[4]

This True-Up Filing reflects a need to decrease the daily Uplift Charges in the amount of $4,883. Therefore, as shown in Attachment 1 and the accompanying work papers to this True-Up Filing, the daily Uplift Charges should be decreased from $394,452 to $389,569 effective November 1, 2026.

II. Purpose of Filing and Jurisdiction

As the Servicer, ERCOT is submitting its quarterly True-Up Filing in accordance with Debt Obligation Order.[5] 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
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

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

[5] *Id.* at Findings of Fact Nos. 196-97 & 200 and Ordering Paragraphs No. 33 and 66.

IV. Quarterly Calculation & True-Up Adjustment

The Debt Obligation Order sets forth the procedures related to mandatory quarterly true-up calculations and true-up adjustments.[6] Specifically, the Debt Obligation Order requires the Servicer to provide a quarterly true-up calculation (Quarterly Calculation) each quarter following the closing of the Stabilization N Bonds.[7] If the Quarterly Calculation projects over- or under-collections of the Uplift Charges from the preceding true-up period, or over- or under-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 over-collections 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.[8] The required Quarterly Calculation is provided on Attachment 1 and the accompanying work papers and results in a decrease of the daily Uplift Charges from $394,452 to $389,569.

[6] *Id.* at Findings of Fact Nos. 194–200.

[7] *Id.* at Finding of Fact No. 197 and Ordering Paragraph 33.

[8] *Id*. at Finding of Fact No. 200a.

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. 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 45 days prior to the first billing cycle of the month in which the revised Uplift Charges shall come into effect.[9] The Servicer proposes an effective date of the revised Uplift Charges to be the November 1, 2026 billing period. Therefore, this True-Up Filing is timely filed.

In accordance with the Debt Obligation Order,[10] the Commission has 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 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.

VI. Conclusion

Based on the foregoing, ERCOT respectfully requests that the Commission issue an order confirming this True-Up Filing complies with PURA and the Debt Obligation Order.

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[9] Servicing Agreement § 4.01(e)(i)(A).

[10] Debt Obligation Order at Finding of Fact No. 205.

Dated: September 15, 2026

Respectfully submitted,

/s/Elin Isenhower

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ATTORNEYS FOR ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.

<u>**ATTACHMENT 1**</u>

Quarterly True-Up

For the prior true-up period June 1, 2026 through August 31, 2026	Amounts
Beginning Excess Subaccount Balance	$154,552
Ending Excess Subaccount Balance	$51,383
INFLOWS	
Periodic billing requirements for the above true-up period	$36,001,786
Amounts transferred to Trust through August 31, 2026	$36,343,402
Interest Earnings on Subaccounts through August 31, 2026	$574,664
For the current true-up period September 1, 2026 through November 30, 2026	
Periodic billing requirement for the above true-up period	$35,748,642
Anticipated funds to be transferred to Trust through November 30, 2026	$35,895,132
For the upcoming true-up period December 1, 2026 through February 28, 2027	
Periodic billing requirements for the above true-up period	$35,061,210
Anticipated funds to be transferred to Trust through February 28, 2027	$35,500,680
Total Inflows	$108,313,878
OUTFLOWS	
Anticipated outflow on February 1, 2027 payment date	$72,046,178
Projected Net (Shortfall)/Surplus	
Daily Uplift Charges commencing November 1, 2026	$389,569
Current Daily Uplift Charges	$394,452
True Up Increase/(Decrease)	($4,883)

AMOUNTS TRANSFERRED TO TRUST THROUGH AUG 31 2026

	Amount Transferred	**Interest Earned on Capital Subaccount**	**Interest Earned on Excess Subaccount**	**Interest Earned on General Subaccount**
JUN	$12,089,027	$32,099	$460	$126,035
JULY	$12,829,467	$31,228	$449	$157,524
AUG	$11,424,908	$32,601	$456	$193,812
TOTAL	$36,343,402	$95,928	$1,365	$477,371
			Total Interest	$574,664
			Total Inflows	$36,918,066

	Amount Anticipated to be Transferred
SEP	$11,833,560
OCT	$12,228,012
NOV	$11,833,560
TOTAL	$35,895,132

	Amount Anticipated to be Transferred
DEC	$12,228,012
JAN	$12,228,012
FEB	$11,044,656
TOTAL	$35,500,680

ATTACHMENT 2

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

BEFORE ME, the undersigned notary public, on this day personally appeared Richard L. Scheel, who first being duly sworn, upon this oath said:

1. My name is Richard L. Scheel. I am over the age of 21, a resident of Texas, and of sound mind and competent to testify to the matters stated herein. I am the Senior Vice President, Chief Financial Officer, and Chief Risk Officer for Electric Reliability Council of Texas, Inc. (ERCOT), and am authorized to make this affidavit on behalf of ERCOT.

2. I have reviewed the September 2026 Quarterly True-Up Compliance Filing and Notice of Uplift Charge Adjustment, and the factual statements and information contained therein are true and accurate to the best of my knowledge and belief.

The foregoing statements are true and correct. This concludes my affidavit.

RICHARD L. SCHEEL

SUBSCRIBED AND SWORN BEFORE ME by the said Richard L. Scheel on this 15th day of September 2026.

MAYAMIKO NYALUBWE
Notary ID #132844555
My Commission Expires
April 24, 2029

Notary Public in and for the State of Texas