



Filing Receipt

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DOCKET NO. 52709

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

ORDER NO. 17
REQUIRING ADDITIONAL INFORMATION FROM ERCOT AND THE
ISSUER, AND REQUIRING COMMISSION STAFF RECOMMENDATION

On October 14, 2021, the Commission issued a Debt Obligation Order in Docket No. 52321.¹ The Debt Obligation Order authorized the issuance of debt obligations up to the amount of \$800 million. In compliance with the Debt Obligation Order, the Texas Electric Market Stabilization Funding M LLC (the Issuer) issued the Texas Stabilization M Bond, Series 2021 (the Stabilization M Bonds). The Electric Reliability Council of Texas, Inc. (ERCOT) is the sole member of the Issuer.

On November 12, 2024, ERCOT and the Issuer filed a joint notice of intent to amend the 2021 series supplement to the indenture. As described in the notice of intent, the Texas Treasury Safekeeping Trust Company (the Initial Purchaser) bought the Stabilization M Bonds. Following a series of redemptions by the Issuer, the Stabilization M Bonds were reissued to the Initial Purchaser and are currently held by the Initial Purchaser, represented as Bond No. R-3, in the amount of \$403,800,000. So long as the Stabilization M Bonds are held by the Initial Purchaser, they may be redeemed early by the Issuer without the Issuer incurring a premium or penalty. Starting on February 1, 2025, however, the Initial Purchaser will be allowed to sell the bonds to third parties. Once the bonds are held by a third party, the Issuer will no longer be able to redeem the bonds early without paying a premium or penalty.

In the notice of intent, ERCOT and the Issuer state that they intend to amend the Indenture² and the 2021 Series Supplement, which are documents governing the bonds, in order to extend the

¹ *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*, Docket No. 52321, Debt Obligation Order (Oct. 14, 2021).

² Indenture Between Texas Electric Market Stabilization Funding M LLC as Issuer and U.S. Bank National Assoc., as Trustee.

period of time during which the Initial Purchaser is required to own the Stabilization M Bonds. The effect of this change would be to extend the period of time during which the bonds may be redeemed early by the Issuer without the Issuer incurring a premium or penalty.

The 2021 Series Supplement is a part of the Indenture. According to ERCOT and the Issuer, when amending the 2021 Series Supplement, the Issuer is required to give prior written notice to the Commissioner's Executive Director and General Counsel. The Commission, or its Staff, then has 30 days to consent to the proposed change, object to the proposed change, or ask for an additional 30 days to consider the proposed change. ERCOT and the Issuer propose that the changes they seek be made effective on December 16, 2024.

Ordering Paragraph 33 of the Debt Obligation Order specifies that any amendment to the documents related to the bonds, including the Indenture, that "may have the effect of increasing ongoing costs" must be preapproved by the Commission in this compliance docket. In their notice of intent, ERCOT and the Issuer do not directly address whether the changes they seek may have that effect.

In order to facilitate the processing of this matter, the administrative law judge adopts the following procedural schedule:

<p>Deadline for ERCOT and the Issuer to:</p> <ul style="list-style-type: none"> • file a copy of the current Indenture and 2021 Series Supplement (or identify where copies of same can be found in the record of this compliance docket); • explain whether the amendments they seek in their notice of intent may have the effect of increasing ongoing costs; and • state whether and when they provided a written copy of the notice of intent to the Commission's general counsel 	November 15, 2024
<p>Deadline for Commission Staff to make a recommendation as to whether the Commission should:</p> <ul style="list-style-type: none"> • consent to the proposed change; • object to the proposed change; or • ask for an additional 30 days to consider the proposed change 	November 22, 2024
Deadline for the parties to file a proposed order	November 26, 2024

Signed at Austin, Texas on the 13th day of November 2024.

PUBLIC UTILITY COMMISSION OF TEXAS

A handwritten signature in black ink, appearing to read 'HB', is written over a horizontal line.

**HUNTER BURKHALTER
CHIEF ADMINISTRATIVE LAW JUDGE**

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