



Control Number: 52709



Item Number: 70

DOCKET NO. 52709

**COMPLIANCE FILING FOR DOCKET §
NO. 52321 (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) §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

INTERIM ORDER

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. The Texas Treasury Safekeeping Trust Company (the Initial Purchaser) bought the Stabilization M Bonds. So long as the Stabilization M Bonds are held by the Initial Purchaser, the bonds 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 their notice of intent, ERCOT and the Issuer seek Commission consent to amend the 2021 Series Supplement to extend the period of time during which the Initial Purchaser is required to own the Stabilization M Bonds. The effect of this change will 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.

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).*

Ordering paragraph 33 of the Debt Obligation Order in Docket No. 52321 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. Consistent with the recommendations of ERCOT, the Issuer, and Commission Staff, the Commission finds that the change proposed in the notice of intent will not have the effect of increasing costs. Therefore, the Commission concludes that approval of the proposed amendment is not required under ordering paragraph 33 of the Debt Obligation Order.

The 2021 Series Supplement is a part of the Indenture. Under section 9.03 of the Indenture, 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. ERCOT and the Issuer completed the provision of notice on November 13, 2024. Therefore, the 30-day deadline for action by the Commission is December 13, 2024.

Commission Staff recommends that the Commission consent to the amendment sought by ERCOT and the Issuer. No objections to ERCOT’s or the Issuer’s notice of intent were filed.

The Commission consents to the amendment to the 2021 Series Supplement to the Indenture described in the notice of intent.

Signed at Austin, Texas the 12th day of December 2024.

PUBLIC UTILITY COMMISSION OF TEXAS

[Recused from docket]


THOMAS J. GLEESON, CHAIRMAN



LORI COBOS, COMMISSIONER



JIMMY GLOTFELTY, COMMISSIONER



KATHLEEN JACKSON, COMMISSIONER



COURTNEY K. HJALTMAN, COMMISSIONER