

**BYLAWS**  
**OF**  
**TEXAS ELECTRIC UTILITY SYSTEM RESTORATION CORPORATION**

**1. General**

1.1 ***Name of the Corporation.*** The initial name of the Corporation shall be Texas Electric Utility System Restoration Corporation (“the Corporation”), as set forth in the Certificate of Formation filed with the Secretary of State.

1.2 ***Purpose.*** The Corporation has the powers, rights, and privileges provided for a corporation organized under Chapter 22, Business Organizations Code, subject to the express authorizations, exceptions, and limitations provided by Chapter 36, Subchapter J, Texas Utilities Code (codified at Tex. Util. Code §§ 36.451 *et seq.*) (“Subchapter J”). The Corporation is a special purpose public corporation and instrumentality of the state for the essential public purpose of providing a lower-cost, supplemental financing mechanism to a qualifying electric utility.

1.3 ***Regulation by PUCT.*** As established in Subchapter J, the Corporation is subject to the regulation of the Public Utility Commission of Texas (“PUCT”). The Corporation shall comply with all PUCT rules, orders, resolutions, and directives regarding its operations, finances, and bond issuances. The PUCT Executive Director will carry out the Corporation’s regulation through any delegation of authority from the PUCT.

1.4 ***Duration.*** The Corporation’s duration shall be perpetual. The Board of Directors (“Board” or “Board of Directors”) may alter the duration as may be necessary for the Corporation, subject to approval of the PUCT and in compliance with Subchapter J and other applicable laws.

1.5 ***Registered Office.*** The Corporation’s initial registered office and registered agent shall be the Public Utility Commission of Texas, c/o Executive Director, 1701 N. Congress Ave, Austin, Texas 78701.

**2. Board of Directors**

2.1 ***Exercise of Powers.*** The Corporation shall exercise its powers through the Corporation’s Board of Directors to conduct any and all lawful business for which a nonprofit corporation may be organized under Chapter 22 Texas Business Organizations Code, and shall have all the powers, obligations, limitations and responsibilities established in Subchapter J.

2.2 ***Initial Board.*** The initial Board of Directors shall be the five PUCT-appointed individuals listed on the Corporation’s initial Certificate of Formation.

2.3 **Number.** The number of Directors of the Corporation shall be five.

2.4 **Term.** Directors shall serve a term of two (2) years. Upon the expiration of a Director's term, and without requiring a reappointment by the PUCT, the term shall automatically renew for an additional two-year period. There shall be no limitation on the number of terms a Director may serve.

2.5 **Removal.** A Director may be removed from office, with or without cause, at the sole discretion of the PUCT. Removal shall be effective immediately upon notice by the PUCT and shall not require further Board action.

2.6 **Resignations.** A Director may resign at any time by providing written notice to the Corporation and the PUCT Executive Director. Such resignation shall take effect at the date of the Corporation's and the PUCT's receipt of the resignation notice.

2.7 **Vacancies.** A vacancy on the Board shall occur upon a Director's resignation, incapacity, death, or removal. Any vacancy shall be filled by the PUCT. A Director appointed to fill a vacancy shall serve for the remainder of the unexpired term of the departing Director.

2.8 **Place of Meetings.** The Directors for the Corporation may hold and participate in meetings in person or by use of a conference telephone or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination, if the telephone or other equipment or system permits each person participating in the meeting to communicate with all other persons participating in the meeting.

2.9 **Regular Meetings.** Regular meetings of the Board of Directors shall be held at such time and place as shall be determined by the President with a 30-day notice.

2.10 **Special Meetings.** Special meetings of the Board of Directors may be called with notice at any time by the President, or if the President is unable, by two Directors with a 72-hour notice.

2.11 **Notice.** Any required notice of the date, time, place, or purpose of meetings may be provided to a Director in writing by electronic transmission. Such notice shall be considered provided when transmitted to the electronic mail address provided by the intended Director for the purpose of receiving notice or when communicated to the Director by any other form of electronic transmission consented to by the Director. Notice of all Regular and Special Meetings must be provided to the PUCT Executive Director under the procedures described in this section.

2.12 **Quorum.** A quorum for the transaction of business by the Board of Directors shall be a majority of the number of Directors, but shall never be less than three Directors.

2.13 ***Action by Directors.*** An official action of the Board of Directors requires the favorable vote of a majority of the directors present and voting at a meeting of the board.

2.14 ***Conflicts of Interest.*** The Corporation and its Board of Directors will comply with all applicable conflict-of-interest laws governing Texas state instrumentalities and financing entities, as well as the Corporation's conflicts of interest policies. Directors must disclose any direct or indirect financial interests that could pose a conflict, recuse themselves from related discussions or decisions, and reflect the basis for any recusal in the minutes of any meeting where the conflict relates to the subject matter taken up for discussion or decision.

2.15 ***Compensation of Directors and Reimbursements.*** Directors shall serve without compensation for their services. During times when the Corporation is not undertaking securitization activities, Directors shall not receive reimbursement for travel or other expenses. Reimbursement for Director expenses and operational expenses shall only be authorized once the PUCT provides prior authorization for the Corporation to participate in a Subchapter J financial transaction in accordance with Tex. Util. Code § 36.454 and incurs qualifying operational expenses necessary to fulfill its statutory duties. Any reimbursement shall comply with applicable laws, sound corporate governance principles, and the Corporation's policies. The Board of Directors may approve such expense reimbursements, subject to oversight by the PUCT.

### 3. **Members**

3.1 ***No Members.*** The Corporation shall have no members.

### 4. **Officers of Board of Directors**

4.1 ***Officers In General.*** The officers of the Corporation shall be a President, Vice President, and a Secretary. The Board of Directors shall elect the first President, Vice President, and Secretary at its first meeting if those offices were not filled at the organizational meeting.

4.2 ***Term of Office and Removal.*** Each officer shall continue to serve until a new election by the Board of Directors or until the officer's death, resignation, removal, expiration of term, or the office otherwise becomes vacant.

4.3 ***Board President Duties.*** The President shall be responsible for calling meetings of the Board of Directors and presiding over all meetings. The President shall have only those powers and duties as prescribed by the Board of Directors.

4.4 ***Board Secretary Duties.*** The Secretary shall attend and record all votes and the minutes of all proceedings of the meetings of the Board of Directors. The Secretary shall be the custodian for the Corporation's records. The Secretary shall have all other powers and duties as the Board of Directors may prescribe.

4.5 ***Board Vice President Duties.*** The Vice President shall have all such powers to perform the usual and customary duties of that office as may be determined and prescribed by the Board of Directors, including presiding over meetings in the absence or inability of the President.

4.6 ***Resignation and Removal of Board Officer Positions.*** Any officer or agent may be removed from his or her officer position, with or without cause, by the Board of Directors at a regular or special meeting if a majority of the Directors present at the board meeting determines the removal is in the best interests of the Corporation. An officer may resign from his or her officer position at any time by providing written notice to the Corporation and the PUCT Executive Director. Such resignation shall take effect at the date of the Corporation and PUCT Executive Director's receipt of the notice.

4.7 ***Vacancies.*** Upon any vacancy of any officer, the Board of Directors may elect a replacement for that office.

## **5. Budgeting, Expenditures, and Financial Affairs**

5.1 ***Annual Budget and Annual Report.*** The Corporation shall prepare and submit to the PUCT an annual operating budget by January 31 of each year. During any year when the Corporation is not undertaking securitization activities, the Corporation shall prepare and submit an annual operating budget reflecting zero income and zero expenses. If required, the Corporation shall also submit a federal income tax return as well as any other documentation needed to keep the Corporation in good standing. Upon receiving prior authorization from the PUCT to perform its core statutory duties under Tex. Util. Code § 36.454, the Corporation may retain professional services necessary to prepare an annual budget reflecting income and expenses and submit it to the PUCT for approval.

5.2 ***Borrowing and Funding Authority.*** During periods of authorization to perform its core statutory duties under Tex. Util. Code § 36.454, the Corporation may borrow funds from any entity, including an electric utility, to finance immediate operational needs. Such borrowed funds may be used solely for expenses necessary to carry out the Corporation's statutory purpose, including legal, accounting, insurance, and administrative functions.

5.3 ***Contracts with Professionals.*** During times when the Corporation is not undertaking securitization activities, it shall not hire or retain professionals for any operational purpose. Upon activation to perform its core statutory duties under Tex. Util. Code § 36.454, the Corporation may engage accountants, attorneys, bookkeepers, and other professionals necessary to fulfill its statutory obligations, including the preparation of required budgets and reports, subject to the approval of the PUCT.

5.4 ***No Dividends.*** A dividend shall not be paid to, and no part of the income of the Corporation shall be distributed to the Corporation's Directors or officers.

## 6. General Provisions

6.1 ***Agency Assistance.*** The Corporation may seek, and the PUCT may provide, administrative assistance when needed to fulfill its duties.

6.2 ***Books and Records.*** The Corporation shall keep accurate records, books, and annual reports of its financial activity including accounts, properties, business transactions, assets, liabilities, receipts, and minutes of the proceedings of its Board of Directors at the Corporation's registered or principal office in Texas, as that location may change from time to time, for at least three years after the close of the fiscal year. Such records may be in written paper form or another form capable of being converted into written paper form within a reasonable time. All of the Corporation's records, books, and reports shall be made available to the public for inspection and copying at the Corporation's registered or principal office during regular business hours. The Corporation may charge its costs for preparing a copy of a record or report.

6.3 ***Fiscal Year.*** The Fiscal Year for the Corporation shall be the calendar year.

6.4 ***Seal.*** The Board of Directors may adopt an official seal for the Corporation. The seal may be used both as an embossed or stamped mark for the Corporation. Any officer authorized by these Bylaws or the Board of Directors may affix the seal to any document in the manner required.

6.5 ***Restrictions on Board Authority Regarding Rehabilitation, Liquidation, or Dissolution.*** The Board of Directors may not authorize any rehabilitation, liquidation, or dissolution of the Corporation and a rehabilitation, liquidation, or dissolution of the Corporation may not take effect as long as any system restoration bonds are outstanding unless adequate protection and provision have been made for the payment of the bonds pursuant to the documents authorizing the issuance of the bonds. In the event of any rehabilitation, liquidation, or dissolution, the assets of the Corporation must be applied first to pay all debts, liabilities, and obligations of the Corporation, including the establishment of reasonable reserves for any contingent liabilities or obligations, and all remaining funds of the Corporation must be applied and distributed as provided by an order of the PUCT.

6.6 ***Insurance.*** The Corporation shall not purchase or maintain insurance during periods in which it is not undertaking securitization activities. Upon authorization to perform its core statutory duties under Tex. Util. Code § 36.454, the Corporation may obtain necessary insurance coverage to mitigate Board member liability and operational risks.

6.7 ***Approval of Present Bylaws.*** The present Bylaws shall become effective upon a favorable vote by the majority of Directors and approval by the PUCT.

6.8 ***Amendment of Bylaws.*** The Board of Directors may alter, amend, or repeal these Bylaws or adopt new Bylaws by a favorable vote of a majority of the Board of Directors present and voting at a meeting, subject to approval by the PUCT Executive Director.

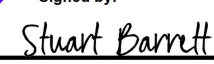
6.9 ***Amendment of Certificate of Formation.*** The Board of Directors may adopt an amendment to the Certificate of Formation upon the affirmative vote of the majority of the Directors, subject to the prior approval of the PUCT.

6.10 ***Relation to Certificate of Formation and Subchapter J.*** These Bylaws are subject to, and governed by, the Certificate of Formation, as it may be amended from time to time, and Subchapter J.

6.11 ***Corporate Transparency Act – Beneficial Ownership Reporting.*** Each Director agrees and covenants to provide to the Corporation such information, including all personal identifying information and an “acceptable identification document” as required by the Corporation to comply with the Corporate Transparency Act, 31 U.S.C. Section 5336.

6.12 ***Severability and Compliance with Subchapter J.*** If any provision of these Bylaws is determined to be invalid, unenforceable, or in conflict with Subchapter J or any applicable law, the remaining provisions shall continue in full force and effect. To the extent necessary, such invalid or conflicting provisions shall be interpreted and applied in a manner consistent with Subchapter J to maintain the Corporation’s compliance with its statutory purpose and obligations.

Approved by the Board of Directors on July 17, 2025, to be effective upon approval by the Public Utility Commission of Texas.

Signed by:  Chad Seely 00E868C410A7478...	Signed by:  Jennifer Pytlík D419B2FE8DE44B2...	Signed by:  Stuart Barrett 51A5CECDB8DCDE467...
Signed by:  Richard Gonzalez 34582F8E148A90E...	Signed by:  Melissa Gage 8BA54E1F7742441...	