



**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**  
**ANNUAL STATUS REPORT TO THE BOARD OF DIRECTORS**  
**CONCERNING ACTIVITIES OF THE RETIREMENT PLAN COMMITTEE**  
**As of December 31, 2017**

This report is provided to inform the Board of Directors of the activities of the Retirement Plan Committee (“Committee”) during the 12-month period ending December 31, 2017.

The Committee met four times during 2017. Minutes were kept of each Committee Meeting, and copies of materials reviewed by the Committee have been maintained as part of the meeting record.

The Committee determined that the current Plan is functioning effectively and at reasonable cost for its intended purpose. The Committee identified no deficiencies with respect to the compliance of the Plan.

The Committee actively performed its duties during this period, as highlighted herein:

**ERCOT 401(k) Savings Plan (“Plan”)**

1. Morgan Stanley Smith Barney LLC dba Graystone Consulting (Graystone) provided detailed quarterly reports on the investments in the Plan, reviewing the following criteria, among others: (a) performance on a rolling and trailing return basis relative to benchmarks and the appropriate universes of actively managed investments; (b) changes to the management teams of investment managers; (c) significant issues affecting the firms within which the investment managers operate; (d) investment quality of fixed-income investments; (e) diversification of holdings; (f) the amount of risk taken; (g) changes in investment style; and (h) cost.
2. The Committee placed two funds on the watch list pursuant to criteria guidelines provided in the Plan’s Investment Policy Statement.
3. The audit report for the Plan was reviewed and approved.
4. Retirement education from Fidelity was expanded to offer 4 workshops and 6 days of personalized retirement advice sessions for employees.
5. A third party was engaged to offer employees financial wellness workshops. The new program included 3 group classes and the opportunity for participants to meet individually with a financial advisor.
6. The Committee was briefed by Fidelity on their efforts to combat cyber fraud.



7. The Human Resources and Governance Committee Chairman met with the Committee to receive an update on the Plan's administration and fees.

*/s/ Mara A. Spak*

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Mara A. Spak  
Director, Total Rewards & Systems

Confirmed:

*/s/ Diane M. Williams*

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Diane M. Williams  
Vice President of Human Resources