

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

2018

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Open to Public Inspection

A For the 2018 calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization ELECTRIC RELIABILITY COUNCIL OF TEXAS INC Doing business as ERCOT		D Employer identification number 74-2587416
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 7620 METRO CENTER DRIVE		E Telephone number 512-225-7000
	City or town, state or province, country, and ZIP or foreign postal code AUSTIN, TX 78744-1613		G Gross receipts \$ 244,963,920.
	F Name and address of principal officer: WILLIAM MAGNESS SAME AS C ABOVE		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
	I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) (4) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ▶

J Website: ▶ **WWW.ERCOT.COM**

K Form of organization: Corporation Trust Association Other ▶ **L** Year of formation: **1990** **M** State of legal domicile: **TX**

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	15
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	14
	5 Total number of individuals employed in calendar year 2018 (Part V, line 2a)	5	811
	6 Total number of volunteers (estimate if necessary)	6	18
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, line 38	7b	21,246.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	0.	18,117.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	219,326,865.	231,838,269.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,935,183.	13,106,461.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	5,086.	1,073.
		222,267,134.	244,963,920.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	104,301,709.	106,877,847.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	100,177,036.	102,256,842.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	204,478,745.	209,134,689.	
19 Revenue less expenses. Subtract line 18 from line 12	17,788,389.	35,829,231.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	1223782330.	1529764219.
	22 Net assets or fund balances. Subtract line 21 from line 20	1169249541.	1439446829.
		54,532,789.	90,317,390.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Date		
	SEAN TAYLOR, VP AND CFO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	TROY MARINE, CPA	TROY MARINE, CPA	11/06/19		P00187863
Firm's name ▶ BAKER TILLY VIRCHOW KRAUSE, LLP			Firm's EIN ▶ 39-0859910		
Firm's address ▶ 777 E. WISCONSIN AVE., 32ND FLOOR MILWAUKEE, WI 53202			Phone no. 414.777.5500		

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:
**WE SERVE THE PUBLIC BY ENSURING A RELIABLE GRID, EFFICIENT ELECTRICITY
MARKETS, OPEN ACCESS AND RETAIL CHOICE.**

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ 159,101,394. including grants of \$ _____) (Revenue \$ 244,870,375.)
**ERCOT SUCCESSFULLY MANAGES THE FLOW OF ELECTRICITY TO APPROXIMATELY 25
MILLION CUSTOMERS IN THE STATE OF TEXAS, WHICH INCLUDES THE MANAGEMENT
OF FINANCIAL SETTLEMENT FOR THE COMPETITIVE WHOLESALE BULK-POWER MARKET
AND THE ADMINISTRATION OF ELECTRIC PROVIDER ACCOUNT SWITCHING IN
COMPETITIVE CHOICE AREAS.**

4b (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4c (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services (Describe in Schedule O.)
(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses **▶ 159,101,394.**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>		X
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>	X	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

**ELECTRIC RELIABILITY COUNCIL OF TEXAS
INC**

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Part IV Checklist of Required Schedules *(continued)*

		Yes	No
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	X	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>		X
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
	1a 271		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
	1c		

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

		Yes	No
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return 2a 811		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? 2b	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year? 3a	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O 3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 4a		X
b	If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? 5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? 5b		X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T? 5c		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? 6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? 7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d		
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? ...		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the sponsoring organization make any taxable distributions under section 4966?		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12 10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b		
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders 11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? 12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? 13a		
Note. See the instructions for additional information the organization must report on Schedule O.			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b		
c	Enter the amount of reserves on hand 13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year? 14a		X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O 14b		
15	Is the organization subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year? 15		X
If "Yes," see instructions and file Form 4720, Schedule N.			
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? 16		X
If "Yes," complete Form 4720, Schedule O.			

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year 15 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
b	Enter the number of voting members included in line 1a, above, who are independent 14		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
b	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **NONE**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **SEAN TAYLOR, VP AND CFO - 512-225-7000**
7620 METRO CENTER DRIVE, AUSTIN, TX 78744-1613

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) TONYA BAER BOARD MEMBER	4.00	X					0.	0.	0.	
(2) RICK BLUNTZER BOARD MEMBER	1.00	X					0.	0.	0.	
(3) TERRY BULGER BOARD MEMBER	8.00	X					65,250.	0.	0.	
(4) PETER CRAMTON BOARD MEMBER	5.00	X					87,000.	0.	0.	
(5) CRAVEN CROWELL BOARD MEMBER	15.00	X					99,800.	0.	0.	
(6) KEITH EMERY BOARD MEMBER	4.00	X					0.	0.	0.	
(7) NICK FEHRENBACH BOARD MEMBER	6.00	X					0.	0.	0.	
(8) KEVIN GRESHAM BOARD MEMBER	5.00	X					0.	0.	0.	
(9) SAM HARPER BOARD MEMBER	5.00	X					0.	0.	0.	
(10) CLIFTON KARNEI BOARD MEMBER	4.00	X					0.	0.	0.	
(11) KENNY MERCADO BOARD MEMBER	5.00	X					0.	0.	0.	
(12) KARL PFIRRMANN BOARD MEMBER	10.00	X					92,600.	0.	0.	
(13) CAROLYN SHELLMAN BOARD MEMBER	4.00	X					0.	0.	0.	
(14) DEANN WALKER BOARD MEMBER	20.00	X					0.	0.	0.	
(15) JUDY WALSH BOARD MEMBER	8.00	X					100,100.	0.	0.	
(16) MARK CARPENTER SEGMENT ALTERNATE	4.00	X					0.	0.	0.	
(17) SETH COCHRAN SEGMENT ALTERNATE	4.00	X					0.	0.	0.	

**ELECTRIC RELIABILITY COUNCIL OF TEXAS
INC**

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) AMANDA FRAZIER SEGMENT ALTERNATE	4.00	X					0.	0.	0.	
(19) MOSHIN HASSAN SEGMENT ALTERNATE	4.00	X					0.	0.	0.	
(20) GLEN LYONS SEGMENT ALTERNATE	4.00	X					0.	0.	0.	
(21) JENNIFER RICHIE SEGMENT ALTERNATE	4.00	X					0.	0.	0.	
(22) JACKIE SARGENT SEGMENT ALTERNATE	1.00	X					0.	0.	0.	
(23) MARK SCHWIRTZ SEGMENT ALTERNATE	4.00	X					0.	0.	0.	
(24) WILLIAM MAGNESS BOARD MEMBER; PRESIDENT & CEO	40.00	X		X			814,909.	0.	68,355.	
(25) STEVE DANIELS VP, APPLICATION SERVICES & IT OPS	40.00			X			259,192.	0.	58,647.	
(26) SALLIE BETTY DAY VP, GOVERNANCE, RISK & COMPLIANCE	40.00			X			277,170.	0.	73,764.	
1b Sub-total							1,796,021.	0.	200,766.	
c Total from continuation sheets to Part VII, Section A							4,965,221.	0.	1044537.	
d Total (add lines 1b and 1c)							6,761,242.	0.	1245303.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 459

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ALLEGIS GROUP SERVICES INC. 14155 COLLECTION CTR DR., CHICAGO, IL 60693	CONTINGENT WORKFORCE	13,948,230.
POTOMAC ECONOMICS LTD., 9990 FAIRFAX BLVD, SUITE 560, FAIRFAX, VA 22030	INDEPENDENT MKT MONITOR	3,683,330.
ABB INC. PO BOX 88868, CHICAGO, IL 60695-1868	IT CONSULTING	2,232,499.
PERSISTENT SYSTEMS, INC., 2055 LAURELWOOD RD, STE. 210, SANTA CLARA, IL 75054	IT CONSULTING	1,405,482.
SIRIUS COMPUTER SOLUTIONS, INC. PO BOX 202289, DALLAS, TX 75320-2289	IT CONSULTING	1,348,142.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 28

SEE PART VII, SECTION A CONTINUATION SHEETS

ELECTRIC RELIABILITY COUNCIL OF TEXAS
INC

Form 990 (2018)

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	18,117.				
	g	Noncash contributions included in lines 1a-1f: \$						
	h	Total. Add lines 1a-1f		18,117.				
Program Service Revenue	2 a	ELECTRIC RELIABILITY PROGRAM SERV	Business Code 221000	192,478,127.	192,478,127.			
	b	MUNICIPAL SERVICE PROGRAM REVENUE	221000	39,015,492.	39,015,492.			
	c	MEMBERSHIP DUES	221000	344,650.	344,650.			
	d						
	e						
	f	All other program service revenue						
	g	Total. Add lines 2a-2f		231,838,269.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		13,091,015.	13,032,106.		58,909.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross rents	(i) Real	(ii) Personal				
		Less: rental expenses						
		Rental income or (loss)						
		Net rental income or (loss)						
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		Less: cost or other basis and sales expenses		15,446.				
		Gain or (loss)		0.				
		Net gain or (loss)		15,446.				15,446.
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
		Less: direct expenses	b					
		Net income or (loss) from fundraising events						
	9 a	Gross income from gaming activities. See Part IV, line 19	a					
Less: direct expenses		b						
Net income or (loss) from gaming activities								
10 a	Gross sales of inventory, less returns and allowances	a						
	Less: cost of goods sold	b						
	Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code					
11 a	NON-OPERATING INCOME	900099	1,073.			1,073.		
b							
c							
d	All other revenue							
e	Total. Add lines 11a-11d		1,073.					
12	Total revenue. See instructions		244,963,920.	244,870,375.	0.	75,428.		

**ELECTRIC RELIABILITY COUNCIL OF TEXAS
INC**

Form 990 (2018)

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Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	6,640,057.	3,473,539.	3,166,518.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	73,558,811.	61,627,975.	11,930,836.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	11,256,219.	9,680,497.	1,575,722.	
9 Other employee benefits	9,152,237.	7,571,808.	1,580,429.	
10 Payroll taxes	6,270,523.	5,322,399.	948,124.	
11 Fees for services (non-employees):				
a Management				
b Legal	151,558.		151,558.	
c Accounting	240,000.	122,500.	117,500.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	13,786,044.	12,473,597.	1,312,447.	
12 Advertising and promotion				
13 Office expenses	1,410,751.	903,882.	506,869.	
14 Information technology	3,031,594.	3,002,917.	28,677.	
15 Royalties				
16 Occupancy	4,911,066.	541,209.	4,369,857.	
17 Travel	1,232,123.	854,694.	377,429.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	1,607,541.	950,373.	657,168.	
20 Interest	1,437,752.		1,437,752.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	28,320,587.	24,072,500.	4,248,087.	
23 Insurance	2,222,358.	2,222,358.		
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a HARDWARE AND SOFTWARE E	25,693,957.	24,716,757.	977,200.	
b RELIABILITY ORGANIZATIO	16,327,852.		16,327,852.	
c DUES AND SUBSCRIPTIONS	1,658,106.	1,356,449.	301,657.	
d ALL OTHER EXPENSES	225,553.	207,940.	17,613.	
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	209,134,689.	159,101,394.	50,033,295.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

**ELECTRIC RELIABILITY COUNCIL OF TEXAS
INC**

Form 990 (2018)

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Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year		
Assets	1 Cash - non-interest-bearing	1,155,656.	1	11,830,010.		
	2 Savings and temporary cash investments	1055853919.	2	1337982880.		
	3 Pledges and grants receivable, net		3			
	4 Accounts receivable, net	9,158,647.	4	9,007,026.		
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5			
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6			
	7 Notes and loans receivable, net		7			
	8 Inventories for sale or use		8			
	9 Prepaid expenses and deferred charges	26,364,563.	9	27,792,710.		
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 925,040,348.				
	b Less: accumulated depreciation	10b 781,888,755.	131,249,545.	10c	143,151,593.	
	11 Investments - publicly traded securities		11			
	12 Investments - other securities. See Part IV, line 11		12			
	13 Investments - program-related. See Part IV, line 11		13			
	14 Intangible assets		14			
	15 Other assets. See Part IV, line 11		15			
16 Total assets. Add lines 1 through 15 (must equal line 34)	1223782330.	16	1529764219.			
Liabilities	17 Accounts payable and accrued expenses	14,848,954.	17	15,790,794.		
	18 Grants payable		18			
	19 Deferred revenue	4,638,873.	19	5,665,565.		
	20 Tax-exempt bond liabilities		20			
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	534,562,318.	21	904,226,998.		
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22			
	23 Secured mortgages and notes payable to unrelated third parties	58,802,951.	23	54,813,936.		
	24 Unsecured notes and loans payable to unrelated third parties		24			
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	556,396,445.	25	458,949,536.		
	26 Total liabilities. Add lines 17 through 25	1169249541.	26	1439446829.		
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27 Unrestricted net assets	54,532,789.	27	90,317,390.		
	28 Temporarily restricted net assets		28			
	29 Permanently restricted net assets		29			
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30 Capital stock or trust principal, or current funds		30			
	31 Paid-in or capital surplus, or land, building, or equipment fund		31			
	32 Retained earnings, endowment, accumulated income, or other funds		32			
33 Total net assets or fund balances	54,532,789.	33	90,317,390.			
34 Total liabilities and net assets/fund balances	1223782330.	34	1529764219.			

Form **990** (2018)

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	244,963,920.
2	Total expenses (must equal Part IX, column (A), line 25)	2	209,134,689.
3	Revenue less expenses. Subtract line 2 from line 1	3	35,829,231.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	54,532,789.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-44,630.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	90,317,390.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____		X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____		

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2018

Open to Public Inspection

Name of the organization ELECTRIC RELIABILITY COUNCIL OF TEXAS INC Employer identification number 74-2587416

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two yes/no questions about donor property and grant fund usage.

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose(s) of conservation easements, a table for lines 2a-2d, and questions about monitoring, expenses, and reporting.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include questions about reporting works of art and historical treasures, and amounts for revenue and assets.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____%
 - b Permanent endowment _____%
 - c Temporarily restricted endowment _____%
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|--------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		947,096.		947,096.
b Buildings		92,373,491.	38,466,584.	53,906,907.
c Leasehold improvements		8,171,457.	8,168,656.	2,801.
d Equipment		116,882,251.	100,418,939.	16,463,312.
e Other		706,666,053.	634,834,576.	71,831,477.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				143,151,593.

**ELECTRIC RELIABILITY COUNCIL OF TEXAS
INC**

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) CRRAH/QSE SECURITY DEPOSITS	458,524,020.
(3) ACCR. POST RET. BENEFIT OBLIGATION	411,974.
(4) DEFERRED RENT COSTS	13,542.
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	458,949,536.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

ELECTRIC RELIABILITY COUNCIL OF TEXAS
INC

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	244,963,920.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	244,963,920.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	244,963,920.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	209,179,319.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	209,179,319.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	-44,630.
c	Add lines 4a and 4b	4c	-44,630.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	209,134,689.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART IV, LINE 2B:

ERCOT IS THE CENTRAL COUNTERPARTY FOR ALL TRANSACTIONS SETTLED BY ERCOT PURSUANT TO ERCOT PROTOCOLS AND IS DEEMED TO BE THE SOLE BUYER TO EACH SELLER, AND THE SOLE SELLER TO EACH BUYER, OF ALL ENERGY, ANCILLARY SERVICES, RELIABILITY UNIT COMMITMENTS (RUCS), EMERGENCY RESPONSE SERVICE (ERS), AND OTHER PRODUCTS OR SERVICES FOR WHICH ERCOT MAY PAY OR CHARGE A MARKET PARTICIPANT EXCEPT FOR THOSE PRODUCTS OR SERVICES THAT ARE SELF-ARRANGED BY MARKET PARTICIPANTS. ERCOT PERFORMS SETTLEMENTS FOR ALL TRANSACTIONS SUBJECT TO THE FINANCIAL SETTLEMENT PROCESS IN ACCORDANCE WITH ERCOT PROTOCOLS. THE SETTLEMENT PROCESS IS USED TO RESOLVE FINANCIAL OBLIGATIONS FOR MARKET SERVICES PROCURED THROUGH ERCOT FOR REGISTERED MARKET PARTICIPANTS. ADDITIONALLY, AS REQUIRED BY ERCOT PROTOCOLS, ERCOT

Part XIII Supplemental Information (continued)

EXECUTES AUCTIONS FOR CONGESTION REVENUE RIGHTS MONTHLY AND ANNUALLY AND
DISTRIBUTES PROCEEDS FROM THESE AUCTIONS TO MARKET PARTICIPANTS AS
REQUIRED BY ERCOT PROTOCOLS.

PART X, LINE 2:

ERCOT IS EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 501(A) OF THE
INTERNAL REVENUE CODE AS AN ORGANIZATION DESCRIBED IN SECTION 501(C)(4).
THE COMPANY IS ALSO EXEMPT FROM STATE INCOME TAXES. ACCORDINGLY, NO
PROVISION FOR INCOME TAXES OR UNCERTAIN TAX POSITIONS HAS BEEN REFLECTED
IN THE FINANCIAL STATEMENTS.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

CHANGE IN DEFERRED PENSION COSTS -44,630.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2018

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization **ELECTRIC RELIABILITY COUNCIL OF TEXAS
INC** Employer identification number **74-2587416**

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain **1b**

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a? **2**

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

<input checked="" type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment? **4a**

b Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b**

c Participate in, or receive payment from, an equity-based compensation arrangement? **4c**

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization? **5a**

b Any related organization? **5b**

If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization? **6a**

b Any related organization? **6b**

If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III **7**

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III **8**

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? **9**

	Yes	No
1b		
2	X	
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2018

**ELECTRIC RELIABILITY COUNCIL OF TEXAS
INC**

Schedule J (Form 990) 2018

74-2587416

Page 2

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) WILLIAM MAGNESS BOARD MEMBER; PRESIDENT & CEO	(i)	814,909.	0.	0.	36,500.	31,855.	883,264.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) STEVE DANIELS VP, APPLICATION SERVICES & IT OPS	(i)	259,192.	0.	0.	26,380.	32,267.	317,839.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) SALLIE BETTY DAY VP, GOVERNANCE, RISK & COMPLIANCE	(i)	277,170.	0.	0.	39,875.	33,889.	350,934.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) JERRY DREYER SVP, & CIO	(i)	399,028.	0.	0.	39,875.	29,491.	468,394.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) THERESA GAGE VP, EXTERNAL AFFAIRS & CORP COMM	(i)	308,040.	0.	0.	39,875.	10,180.	358,095.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) VICKIE LEADY ASST. GC AND ASST. CORP. SECRETARY	(i)	208,088.	127.	0.	30,876.	22,161.	261,252.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) CHERYL MELE SVP & COO	(i)	440,945.	10.	0.	36,500.	23,379.	500,834.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) KENAN OGLEMAN VP, COMMERCIAL OPERATIONS	(i)	302,965.	0.	0.	36,718.	10,299.	349,982.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) MICHAEL PETTERSON VP AND CFO	(i)	322,141.	0.	0.	39,558.	33,970.	395,669.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) DWAYNE RICKERSON VP, GRID PLANNING & OPERATIONS	(i)	301,464.	0.	0.	40,038.	29,404.	370,906.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(11) CHAD SEELY SVP, GENERAL COUNSEL & GOVERNANCE	(i)	379,614.	0.	0.	39,875.	33,376.	452,865.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(12) DIANE M WILLIAMS VP, HUMAN RESOURCES	(i)	311,875.	0.	0.	36,500.	22,247.	370,622.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(13) BRYAN HANLEY DIRECTOR, IT INFRASTRUCTURE	(i)	225,301.	0.	0.	32,859.	29,593.	287,753.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(14) JOHN MESSER DIRECTOR, IT APPLICATION DEVELOPMENT	(i)	194,593.	1,387.	0.	28,734.	29,577.	254,291.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(15) MARK RUANE DIRECTOR, SETTLEMENTS RETAIL AND CRE	(i)	238,633.	1,329.	0.	35,130.	13,110.	288,202.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(16) DAN WOODFIN SR. DIRECTOR, SYSTEM OPERATIONS	(i)	227,644.	4,130.	0.	33,690.	18,939.	284,403.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

**ELECTRIC RELIABILITY COUNCIL OF TEXAS
INC**

74-2587416

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(17) AMANDA BAULD	(i)	201,727.	3,853.	0.	29,742.	216.	235,538.	0.
DIRECTOR, PROJECT MANAGEMENT OFFICE	(ii)	0.	0.	0.	0.	0.	0.	0.
(18) NATHAN BIGBEE	(i)	225,619.	0.	0.	31,958.	31,719.	289,296.	0.
ASST. GENERAL COUNSEL, REGULATOR	(ii)	0.	0.	0.	0.	0.	0.	0.
(19) DAVID FORFIA	(i)	224,952.	0.	0.	33,154.	32,267.	290,373.	0.
DIRECTOR IT ARCHITECTURE	(ii)	0.	0.	0.	0.	0.	0.	0.
(20) WARREN LASHER	(i)	215,520.	0.	0.	31,363.	18,042.	264,925.	0.
SENIOR DIRECTOR, SYSTEM PLANNING	(ii)	0.	0.	0.	0.	0.	0.	0.
(21) JOEL MICKEY	(i)	226,236.	0.	0.	27,854.	32,268.	286,358.	0.
SR. DIRECTOR WHOLESALE MARKET DESIGN	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

ELECTRIC RELIABILITY COUNCIL OF TEXAS

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
BRAZOS ELECTRIC POWER COOP	SEE PART V BELOW	485359360.	SEE PART V		X
TENASKA POWER SERVICES	SEE PART V BELOW	350635034.	SEE PART V		X
GOLDEN SPREAD ELECTRIC COO	SEE PART V BELOW	80,293,051.	SEE PART V		X

Part V Supplemental Information.

Provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: BRAZOS ELECTRIC POWER COOPERATIVE

(D) DESCRIPTION OF TRANSACTION: SEE PART V BELOW

(A) NAME OF PERSON: TENASKA POWER SERVICES

(D) DESCRIPTION OF TRANSACTION: SEE PART V BELOW

(A) NAME OF PERSON: GOLDEN SPREAD ELECTRIC COOPERATIVE

(D) DESCRIPTION OF TRANSACTION: SEE PART V BELOW

SCHEDULE L, PART IV - (1)(B):

CLIFTON KARNEI WAS A 2018 BOARD MEMBER OF ERCOT (COOPERATIVE MARKET SEGMENT DIRECTOR) AND ALSO EXECUTIVE VICE PRESIDENT AND GENERAL MANAGER OF BRAZOS ELECTRIC POWER COOPERATIVE, INC.

SCHEDULE L, PART IV - (1)(D):

PAYMENT OF GOVERNMENTALLY-APPROVED TARIFF, ANCILLARY SERVICE FEES, AND MEMBERSHIP DUES.

SCHEDULE L, PART IV - (2)(B):

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

KEITH EMERY WAS A 2018 BOARD MEMBER OF ERCOT (INDEPENDENT POWER
MARKETER MARKET SEGMENT DIRECTOR) AND ALSO VICE PRESIDENT OF TENASKA
POWER SERVICES CORP.

SCHEDULE L, PART IV - (2)(D):

PAYMENT OF GOVERNMENTALLY-APPROVED TARIFF, ANCILLARY SERVICE FEES, AND
MEMBERSHIP DUES.

SCHEDULE L, PART IV - (3)(B):

MARK SCHWIRTZ WAS A 2018 BOARD MEMBER OF ERCOT (COOPERATIVE MARKET
SEGMENT ALTERNATE) AND ALSO PRESIDENT AND CEO OF GOLDEN SPREAD ELECTRIC
COOPERATIVE.

SCHEDULE L, PART IV - (3)(D):

PAYMENT OF GOVERNMENTALLY-APPROVED TARIFF, ANCILLARY SERVICE FEES, AND
MEMBERSHIP DUES.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2018

Open to Public
Inspection

Name of the organization

**ELECTRIC RELIABILITY COUNCIL OF TEXAS
INC**

Employer identification number

74-2587416

FORM 990, PART I, LINE 1:

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC. (ERCOT) LESSENS THE BURDENS OF GOVERNMENT, SERVES THE PUBLIC INTEREST BY, AND FULFILLS ITS STATUTORY OBLIGATION BY: (I) ENSURING OPEN ACCESS TO TRANSMISSION AND DISTRIBUTION SYSTEMS; (II) MAINTAINING SYSTEM RELIABILITY AND OPERATIONS; (III) ENABLING RETAIL CHOICE; OPERATING FAIR AND COMPETITIVE WHOLESALE MARKETS; (IV) MAINTAINING THE RENEWABLE ENERGY CREDITS REGISTRY; AND (V) PROVIDING LEADERSHIP AND INDEPENDENT EXPERTISE TO IMPROVE SYSTEM RELIABILITY AND MARKET EFFICIENCY. ERCOT MANAGES THE FLOW OF ELECTRIC POWER TO MORE THAN 25 MILLION TEXAS CUSTOMERS REPRESENTING ABOUT 90 PERCENT OF THE STATE'S ELECTRIC LOAD. AS THE INDEPENDENT SYSTEM OPERATOR FOR THE REGION, ERCOT SCHEDULES POWER ON AN ELECTRIC GRID THAT CONNECTS MORE THAN 46,500 MILES OF TRANSMISSION LINES AND 650+ GENERATION UNITS. ERCOT ALSO PERFORMS FINANCIAL SETTLEMENT FOR THE COMPETITIVE WHOLESALE BULK-POWER MARKET AND ADMINISTERS RETAIL SWITCHING FOR 8 MILLION PREMISES IN COMPETITIVE CHOICE AREAS.

FORM 990, PART VI, SECTION A, LINE 1:

PURSUANT TO SECTION 39.151 OF THE TEXAS PUBLIC UTILITY REGULATORY ACT, THE ERCOT BOARD OF DIRECTORS IS COMPOSED OF SIXTEEN MEMBERS. FIFTEEN OF THE MEMBERS HAVE VOTING RIGHTS; THE CHAIR OF THE PUBLIC UTILITY COMMISSION OF TEXAS IS AN EX-OFFICIO NON-VOTING MEMBER. EIGHT OF THE VOTING DIRECTORS REPRESENT SEVEN SEGMENTS OF INDUSTRY IN THE ERCOT ELECTRICITY MARKET (AS THE CONSUMER SEGMENT IS FURTHER DIVIDED INTO SUBSEGMENTS); EACH SUCH MARKET

Name of the organization	ELECTRIC RELIABILITY COUNCIL OF TEXAS INC	Employer identification number	74-2587416
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SEGMENT DIRECTOR HAS AN ELECTED ALTERNATE (SEGMENT ALTERNATE) WHO CAN ATTEND MEETINGS IN THE ABSENCE OF THE MARKET SEGMENT DIRECTOR AND VOTE ON THE ABSENT MARKET SEGMENT DIRECTOR'S BEHALF IN THE EVENT THAT SUCH MARKET SEGMENT DIRECTOR CANNOT ATTEND A BOARD MEETING. TWO OTHER VOTING DIRECTORS, ARE ALSO EX-OFFICIO DIRECTORS - ONE REPRESENTS A SUBSEGMENT OF THE CONSUMER SEGMENT AS PUBLIC COUNSEL AND THE OTHER IS THE CHIEF EXECUTIVE OFFICER OF ERCOT -- AND NEITHER HAVE ANY RESPECTIVE SEGMENT ALTERNATES. FIVE OF THE OTHER VOTING DIRECTORS ARE UNAFFILIATED WITH RESPECT TO ANY MARKET SEGMENT AND DO NOT HAVE ANY SEGMENT ALTERNATES.

FORM 990, PART VI, SECTION A, LINE 6:

AS OF DECEMBER 31, 2018, ERCOT'S MEMBERSHIP INCLUDED 303 VOTING AND NON-VOTING MEMBERS. ERCOT MEMBERS MAY BE CORPORATE MEMBERS, ASSOCIATE MEMBERS, OR ADJUNCT MEMBERS. CORPORATE MEMBERS HAVE THE RIGHT TO VOTE ON ALL MATTERS SUBMITTED TO THE GENERAL MEMBERSHIP [SUCH AS THE ELECTION OF DIRECTORS, ELECTION OF TECHNICAL ADVISORY COMMITTEE (TAC) REPRESENTATIVES, AND AMENDMENTS TO THE CERTIFICATE OF FORMATION AND BYLAWS]. CORPORATE MEMBERS QUALIFY IN ONE OF SEVEN SEGMENTS: COOPERATIVE; INDEPENDENT GENERATOR; INDEPENDENT POWER MARKETER; INDEPENDENT RETAIL ELECTRIC PROVIDER; INVESTOR OWNED UTILITY; MUNICIPAL (I.E. A MUNICIPAL-OWNED UTILITY OR A RIVER AUTHORITY); OR CONSUMER (WHICH HAS SUBSEGMENTS INCLUDING COMMERCIAL, INDUSTRIAL AND RESIDENTIAL). ASSOCIATE AND ADJUNCT MEMBERS DO NOT HAVE THE RIGHT TO VOTE ON ANY MATTER SUBMITTED TO THE GENERAL MEMBERSHIP, AND ADJUNCT MEMBERS DO NOT HAVE THE RIGHT TO BE ELECTED OR APPOINTED TO THE ERCOT BOARD, TAC, OR ANY SUBCOMMITTEE OF THE BOARD OR TAC.

FORM 990, PART VI, SECTION A, LINE 7A:

THIRTEEN OF THE FIFTEEN VOTING MEMBERS OF THE ERCOT BOARD OF DIRECTORS ARE

Name of the organization	ELECTRIC RELIABILITY COUNCIL OF TEXAS INC	Employer identification number	74-2587416
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ELECTED, OR APPOINTED IN LIMITED CIRCUMSTANCES, BY THE CORPORATE MEMBERS OR A PORTION OF SUCH CORPORATE MEMBERS. WITH RESPECT TO EACH OF THE SIX MARKET SEGMENT DIRECTORS WHO DO NOT REPRESENT THE CONSUMER SUBSEGMENTS, ONLY THE CORPORATE MEMBERS OF THE MEMBERSHIP SEGMENT REPRESENTED BY THE MARKET SEGMENT DIRECTOR ARE ALLOWED TO ELECT THE DIRECTOR AND THE SEGMENT ALTERNATE FOR THAT SEAT. THERE ARE THREE CONSUMER DIRECTORS, OF WHICH: (I) ONE IS THE PUBLIC COUNSEL, AN EX OFFICIO VOTING MEMBER OF THE BOARD WHO IS DESIGNATED TO REPRESENT RESIDENTIAL CONSUMERS AND SMALL COMMERCIAL CONSUMERS; (II) ONE IS ELECTED OR APPOINTED BY THE LARGE COMMERCIAL CONSUMER CORPORATE MEMBERS; AND (III) ONE IS ELECTED BY THE CORPORATE MEMBERS OF THE INDUSTRIAL CONSUMER SUBSEGMENT. THE MEMBERSHIP VOTES BY SEGMENT TO ELECT THE FIVE UNAFFILIATED VOTING DIRECTORS. THE REMAINING VOTING DIRECTOR IS THE CHIEF EXECUTIVE OFFICER OF ERCOT, WHO IS AN EX OFFICIO VOTING MEMBER OF THE BOARD.

FORM 990, PART VI, SECTION A, LINE 7B:

AS A MATTER OF STATE LAW OR ITS GOVERNING DOCUMENTS, CERTAIN MATERIAL MATTERS MUST BE SUBMITTED TO THE VOTING MEMBERS OF ERCOT FOR THEIR APPROVAL, INCLUDING AMENDMENTS TO THE CERTIFICATE OF FORMATION AND THE BYLAWS. DECISIONS OF THE ERCOT BOARD ARE GENERALLY APPEALABLE TO THE PUBLIC UTILITY COMMISSION OF TEXAS, AN AGENCY OF THE STATE OF TEXAS.

FORM 990, PART VI, SECTION B, LINE 11B:

THE 2018 FORM 990 WAS PREPARED INITIALLY BY THE FINANCE DEPARTMENT OF ERCOT. IT WAS REVIEWED BY ERCOT OFFICERS AS WELL AS INTERNAL LEGAL COUNSEL, AND SUBMITTED FOR REVIEW BY ERCOT'S INDEPENDENT AUDITORS. THE FORM 990 WAS PROVIDED TO THE BOARD OF DIRECTORS IN ADVANCE OF, AND FOR ITS CONSIDERATION AND INPUT AT ITS MEETING ON JUNE 11, 2019. THE FINAL VERSION OF THE 2018

Name of the organization	ELECTRIC RELIABILITY COUNCIL OF TEXAS INC	Employer identification number	74-2587416
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FORM 990, INCORPORATING THE COMMENTS OF ALL FOREGOING, WAS THEN FILED WITH THE INTERNAL REVENUE SERVICE.

FORM 990, PART VI, SECTION B, LINE 12C:

EACH DIRECTOR AND SEGMENT ALTERNATE ANNUALLY MUST EXECUTE AN ETHICS AGREEMENT FOR DIRECTORS AND SEGMENT ALTERNATES, AND EACH EMPLOYEE ANNUALLY MUST ATTEND INTERNAL TRAINING SESSIONS AND EXECUTE AN EMPLOYEE ETHICS AGREEMENT. PURSUANT TO EACH ETHICS AGREEMENT, A SIGNATORY HAS AN AFFIRMATIVE DUTY TO DISCLOSE ANY ACTUAL OR POTENTIAL CONFLICTS OF INTEREST OF THE SIGNATORY (AND HIS OR HER EMPLOYER, IN THE CASE OF DIRECTORS OR SEGMENT ALTERNATES), AND ALSO MUST DISCLOSE ALL PERSONAL RELATIONSHIPS WITH ERCOT VENDORS, INCLUDING BUSINESS OR DIRECT OR INDIRECT OWNERSHIP INTERESTS. ANY CONFLICT OF INTEREST ISSUE INVOLVING A DIRECTOR OR SEGMENT ALTERNATE IS REFERRED TO THE ERCOT GENERAL COUNSEL WHO, IN CONSULTATION WITH THE BOARD CHAIR AND OUTSIDE LEGAL COUNSEL, IF AND WHEN NECESSARY, MAKES A LEGAL DETERMINATION AS TO WHETHER A CONFLICT EXISTS AND, IF SO, A RECOMMENDATION AS TO HOW IT MAY BE RESOLVED. ANY CONFLICT AND ITS RESOLUTION ARE REPORTED TO THE FULL BOARD OF DIRECTORS AND TO THE HUMAN RESOURCE & GOVERNANCE (HR&G) COMMITTEE OF THE BOARD, AS NEEDED. ANY OBJECTION TO THE RECOMMENDATION IS RESOLVED BY THE HR&G COMMITTEE OR THE FULL BOARD. ANY ERCOT EMPLOYEE CONFLICTS ARE EVALUATED BY THE ERCOT LEGAL STAFF, AND THE LEGAL STAFF MAKES A RECOMMENDATION TO RESOLVE THE CONFLICT OF INTEREST. IF THE ERCOT LEGAL STAFF RECOMMENDS A RESOLUTION THAT IS OBJECTIONABLE TO THE MANAGER/DIRECTOR/OFFICER OF THE CONFLICTED EMPLOYEE, THE LEGAL DECISION IS REFERRED TO THE CHIEF EXECUTIVE OFFICER AND ULTIMATELY TO THE BOARD'S HR&G COMMITTEE.

FORM 990, PART VI, SECTION B, LINE 15:

Name of the organization	ELECTRIC RELIABILITY COUNCIL OF TEXAS INC	Employer identification number	74-2587416
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IN DETERMINING COMPENSATION FOR THE CHIEF EXECUTIVE OFFICER, ERCOT FOLLOWS A PROCEDURE WHICH ENSURES THAT (I) COMPENSATION IS APPROVED IN ADVANCE BY THE HR&G COMMITTEE OF THE BOARD OF DIRECTORS AND THE BOARD ITSELF, (II) THE BOARD AND THE HR&G COMMITTEE OBTAINS AND RELIES UPON APPROPRIATE DATA FOR COMPARABILITY, (III) THE BOARD AND THE HR&G COMMITTEE EACH ADEQUATELY DOCUMENTS THE BASIS FOR ITS RESPECTIVE DETERMINATION, AND (IV) THE PUBLIC UTILITY COMMISSION OF TEXAS REVIEWS ANY COMPENSATION TO BE PAID TO THE CHIEF EXECUTIVE OFFICER. IN PRACTICE, THE HR&G COMMITTEE OF THE BOARD OF DIRECTORS REVIEWS PROPOSED CHANGES TO CHIEF EXECUTIVE OFFICER COMPENSATION AND SUBMITS RECOMMENDATIONS TO THE BOARD FOR ITS APPROVAL BY ALL UNINTERESTED MEMBERS OF THE BOARD OF THE DIRECTORS (THAT IS, ALL BOARD MEMBERS EXCEPT THE CHIEF EXECUTIVE OFFICER WHO IS REQUIRED TO ABSTAIN FROM SUCH VOTE). IN ITS REVIEW, THE HR&G COMMITTEE CAN REQUEST INFORMATION FROM INDEPENDENT COMPENSATION CONSULTANTS, AND THEY RECEIVE INFORMATION ANNUALLY IN REGARDS TO THE COMPENSATION LEVELS OF SIMILAR ORGANIZATIONS FROM FORMS 990 AND OTHER SOURCES. ADDITIONALLY, COMPENSATION SURVEYS/STUDIES ARE PERFORMED, AS NEEDED, TO PROVIDE INSIGHT INTO THE ELEMENTS OF COMPENSATION. THE COMPENSATION-RELATED INFORMATION AND HR&G COMMITTEE RECOMMENDATIONS ARE SUBMITTED TO THE BOARD OF DIRECTORS FOR ITS CONSIDERATION AND APPROVAL. A REVIEW OF THE CHIEF EXECUTIVE OFFICER'S COMPENSATION IS PERFORMED ANNUALLY EXCEPT IN THOSE LIMITED INSTANCES IN WHICH THE COMPENSATION HAS BEEN DETERMINED PURSUANT TO THE PROVISIONS OF AN EMPLOYMENT AGREEMENT FOR A TERM EXCEEDING A YEAR BETWEEN ERCOT AND THE CHIEF EXECUTIVE OFFICER, WHICH HAS BEEN APPROVED BY THE BOARD OF DIRECTORS, AND ALL DECISIONS REGARDING THE CHIEF EXECUTIVE OFFICER'S COMPENSATION ARE DOCUMENTED AND MAINTAINED. FURTHERMORE, THE PUBLIC UTILITY COMMISSION OF TEXAS SUBSTANTIVE RULES RELATED TO ERCOT GOVERNANCE REQUIRE THAT ALL COMPENSATION TO BE PAID TO THE CHIEF EXECUTIVE OFFICER IS SUBJECT TO REVIEW AND APPROVAL BY THE PUBLIC

Name of the organization **ELECTRIC RELIABILITY COUNCIL OF TEXAS
INC**

Employer identification number
74-2587416

UTILITY COMMISSION OF TEXAS.

15(B) IN DETERMINING COMPENSATION FOR OFFICERS WHO ARE THE DIRECT REPORTS OF THE CHIEF EXECUTIVE OFFICER, ERCOT FOLLOWS A PROCEDURE WHICH ENSURES THAT (I) COMPENSATION IS FULLY DISCLOSED IN ADVANCE TO THE HR&G COMMITTEE OF THE BOARD OF DIRECTORS, (II) THE HR&G COMMITTEE OBTAINS AND RELIES UPON APPROPRIATE DATA FOR COMPARABILITY, AND (III) THE HR&G COMMITTEE ADEQUATELY DOCUMENTS THE BASIS FOR ITS DETERMINATION. FOR HIS DIRECT REPORTS, THE CHIEF EXECUTIVE OFFICER INFORMS THE HR&G COMMITTEE OF PROPOSED OFFICER PAY AMOUNTS. FOR OFFICERS WHO ARE NOT THE DIRECT REPORTS OF THE CEO OR KEY EMPLOYEES, COMPENSATION IS REVIEWED AND DETERMINED BY THEIR APPROPRIATE OFFICER. FOR REVIEW OF ALL OFFICER AND KEY EMPLOYEE COMPENSATION, ERCOT USES PERFORMANCE AND DATA OBTAINED RELATING TO COMPARABLE COMPENSATION OF SIMILARLY QUALIFIED PERSONS IN COMPARABLE POSITIONS AT COMPARABLE ORGANIZATIONS, INCLUDING COMPENSATION SURVEYS AND FORMS 990. THE HR&G COMMITTEE CAN REQUEST INFORMATION FROM INDEPENDENT COMPENSATION CONSULTANTS. OFFICER AND KEY EMPLOYEE COMPENSATION IS REVIEWED ANNUALLY, AND ALL DECISIONS REGARDING OFFICER AND KEY EMPLOYEE COMPENSATION ARE DOCUMENTED AND MAINTAINED.

FORM 990, PART VI, SECTION C, LINE 19:

ERCOT'S GOVERNING DOCUMENTS, CODE OF CONDUCT, AND AUDITED FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC THROUGH THE ERCOT WEBSITE (WWW.ERCOT.COM).

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

DEFERRED PENSION COSTS

-44,630.

Form **990-W**
(Worksheet)

**Estimated Tax on Unrelated Business Taxable
Income for Tax-Exempt Organizations**

OMB No. 1545-0976

(and on Investment Income for Private Foundations) FORM 990-T

2019

Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form990W for instructions and the latest information.
▶ Keep for your records. Do not send to the Internal Revenue Service.

1	Unrelated business taxable income expected in the tax year		1
2	Tax on the amount on line 1. See instructions for tax computation		2
3	Alternative minimum tax for trusts. See instructions		3
4	Total. Add lines 2 and 3		4
5	Estimated tax credits. See instructions		5
6	Subtract line 5 from line 4		6
7	Other taxes. See instructions		7
8	Total. Add lines 6 and 7		8
9	Credit for federal tax paid on fuels. See instructions		9
10a	Subtract line 9 from line 8. Note: If less than \$500, the organization is not required to make estimated tax payments. Private foundations, see instructions	10a	
b	Enter the tax shown on the 2018 return. See instructions. Caution: If zero or the tax year was for less than 12 months, skip this line and enter the amount from line 10a on line 10c	10b	4,462.
c	2019 Estimated Tax. Enter the smaller of line 10a or line 10b. If the organization is required to skip line 10b, enter the amount from line 10a on line 10c	ADJUSTED TO	
		10c	4,480.

		(a)	(b)	(c)	(d)
11	Installment due dates. See instructions	11		09/16/19	12/16/19
12	Required installments. Enter 25% of line 10c in columns (a) through (d). But see instructions if the organization uses the annualized income installment method, the adjusted seasonal installment method, or is a "large organization."	12		3,360.	1,120.
13	2018 Overpayment. See instructions	13			
14	Payment due (Subtract line 13 from line 12)	14		3,360.	1,120.

LHA For Paperwork Reduction Act Notice, see instructions.

Form **990-W** (2019)

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

2018

For calendar year 2018 or other tax year beginning , and ending

Go to www.irs.gov/Form990T for instructions and the latest information.

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury Internal Revenue Service

A Check box if address changed

Name of organization (Check box if name changed and see instructions.) ELECTRIC RELIABILITY COUNCIL OF TEXAS INC

D Employer identification number (Employees' trust, see instructions.) 74-2587416

B Exempt under section 501(c)(4) 408(e) 220(e) 408A 530(a) 529(a)

Print or Type

Number, street, and room or suite no. If a P.O. box, see instructions.

7620 METRO CENTER DRIVE

City or town, state or province, country, and ZIP or foreign postal code

AUSTIN, TX 78744-1613

E Unrelated business activity code (See instructions.)

900099

C Book value of all assets at end of year 1,529,764,219.

F Group exemption number (See instructions.)

G Check organization type 501(c) corporation 501(c) trust 401(a) trust Other trust

H Enter the number of the organization's unrelated trades or businesses. 1 Describe the only (or first) unrelated trade or business here SEE STATEMENT 1

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No

J The books are in care of SEAN TAYLOR, VP AND CFO Telephone number 512-225-7000

Table with 4 columns: (A) Income, (B) Expenses, (C) Net, and a description column. Rows include Gross receipts or sales, Cost of goods sold, Capital gain net income, etc.

Table with 4 columns: (A) Income, (B) Expenses, (C) Net, and a description column. Rows include Compensation of officers, directors, and trustees, Salaries and wages, Repairs and maintenance, etc.

**ELECTRIC RELIABILITY COUNCIL OF TEXAS
INC**

Form 990-T (2018)

74-2587416

Page 2

Part III Total Unrelated Business Taxable Income			
33	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions)	33	0.
34	Amounts paid for disallowed fringes	34	22,246.
35	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions)	35	
36	Total of unrelated business taxable income before specific deduction. Subtract line 35 from the sum of lines 33 and 34	36	22,246.
37	Specific deduction (Generally \$1,000, but see line 37 instructions for exceptions)	37	1,000.
38	Unrelated business taxable income. Subtract line 37 from line 36. If line 37 is greater than line 36, enter the smaller of zero or line 36	38	21,246.

Part IV Tax Computation			
39	Organizations Taxable as Corporations. Multiply line 38 by 21% (0.21)	39	4,462.
40	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 38 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	40	
41	Proxy tax. See instructions	41	
42	Alternative minimum tax (trusts only)	42	
43	Tax on Noncompliant Facility Income. See instructions	43	
44	Total. Add lines 41, 42, and 43 to line 39 or 40, whichever applies	44	4,462.

Part V Tax and Payments			
45a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	45a	
b	Other credits (see instructions)	45b	
c	General business credit. Attach Form 3800	45c	
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	45d	
e	Total credits. Add lines 45a through 45d	45e	
46	Subtract line 45e from line 44	46	4,462.
47	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	47	
48	Total tax. Add lines 46 and 47 (see instructions)	48	4,462.
49	2018 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 2	49	0.
50a	Payments: A 2017 overpayment credited to 2018	50a	
b	2018 estimated tax payments	50b	
c	Tax deposited with Form 8868	50c	4,462.
d	Foreign organizations: Tax paid or withheld at source (see instructions)	50d	
e	Backup withholding (see instructions)	50e	
f	Credit for small employer health insurance premiums (attach Form 8941)	50f	
g	Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	50g	
51	Total payments. Add lines 50a through 50g	51	4,462.
52	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	52	
53	Tax due. If line 51 is less than the total of lines 48, 49, and 52, enter amount owed	53	
54	Overpayment. If line 51 is larger than the total of lines 48, 49, and 52, enter amount overpaid	54	
55	Enter the amount of line 54 you want: Credited to 2019 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	55	

Part VI Statements Regarding Certain Activities and Other Information (see instructions)		Yes	No
56	At any time during the 2018 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here		X
57	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.		X
58	Enter the amount of tax-exempt interest received or accrued during the tax year \$		

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer	Date	VP AND CFO	Title	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	TROY MARINE, CPA	TROY MARINE, CPA	11/06/19		P00187863
	Firm's name BAKER TILLY VIRCHOW KRAUSE, LLP	Firm's EIN 39-0859910		777 E. WISCONSIN AVE., 32ND FLOOR	
Firm's address MILWAUKEE, WI 53202	Phone no. 414.777.5500				

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ► **N/A**

1	Inventory at beginning of year	1		6	Inventory at end of year	6			
2	Purchases	2		7	Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7			
3	Cost of labor	3		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?			Yes	No
4a	Additional section 263A costs (attach schedule)	4a							
b	Other costs (attach schedule)	4b							
5	Total. Add lines 1 through 4b	5							

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property

(1)	
(2)	
(3)	
(4)	

2. Rent received or accrued

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)

(b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ... 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			Enter here and on page 1, Part I, line 7, column (A). 0.	Enter here and on page 1, Part I, line 7, column (B). 0.
Total dividends-received deductions included in column 8				0.

ELECTRIC RELIABILITY COUNCIL OF TEXAS

Form 990-T (2018) INC

74-2587416

Page 4

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals			0.	0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).
Totals		0.		0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.
Totals	0.	0.				0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0.	0.				0.

ELECTRIC RELIABILITY COUNCIL OF TEXAS

Form 990-T (2018) INC

74-2587416

Page 5

Part II **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col. (A). 0.	Enter here and on page 1, Part I, line 11, col. (B). 0.				Enter here and on page 1, Part II, line 27. 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

Form 990-T (2018)

FORM 990-T DESCRIPTION OF ORGANIZATION'S PRIMARY UNRELATED STATEMENT 1
 BUSINESS ACTIVITY

INCOME UNDER IRC SECTION 512(A)(7)

TO FORM 990-T, PAGE 1

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

		Enter filer's identifying number
Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. ELECTRIC RELIABILITY COUNCIL OF TEXAS INC	Employer identification number (EIN) or 74-2587416
	Number, street, and room or suite no. If a P.O. box, see instructions. 7620 METRO CENTER DRIVE	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. AUSTIN, TX 78744-1613	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

SEAN TAYLOR, VP AND CFO

- The books are in the care of ▶ **7620 METRO CENTER DRIVE - AUSTIN, TX 78744-1613**
Telephone No. ▶ **512-225-7000** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **NOVEMBER 15, 2019**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ calendar year **2018** or
▶ tax year beginning _____, and ending _____.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

		Enter filer's identifying number
Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. ELECTRIC RELIABILITY COUNCIL OF TEXAS INC	Employer identification number (EIN) or 74-2587416
	Number, street, and room or suite no. If a P.O. box, see instructions. 7620 METRO CENTER DRIVE	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. AUSTIN, TX 78744-1613	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 7

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

SEAN TAYLOR, VP AND CFO

- The books are in the care of ▶ **7620 METRO CENTER DRIVE - AUSTIN, TX 78744-1613**
Telephone No. ▶ **512-225-7000** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until **NOVEMBER 15, 2019**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ calendar year **2018** or
▶ tax year beginning _____, and ending _____.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	4,462.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	4,462.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Form **8879-EO**

IRS e-file Signature Authorization for an Exempt Organization

OMB No. 1545-1878

For calendar year 2018, or fiscal year beginning _____, 2018, and ending _____, 20____

2018

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. Keep for your records.**
▶ **Go to www.irs.gov/Form8879EO for the latest information.**

Name of exempt organization

**ELECTRIC RELIABILITY COUNCIL OF TEXAS
INC**

Employer identification number

74-2587416

Name and title of officer

**SEAN TAYLOR
VP AND CFO**

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a, or 5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b, or 5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue , if any (Form 990, Part VIII, column (A), line 12)	1b <u>244,963,920.</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue , if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, line 3c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2018 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize BAKER TILLY VIRCHOW KRAUSE, LLP to enter my PIN 12345
ERO firm name Enter five numbers, but do not enter all zeros

as my signature on the organization's tax year 2018 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2018 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ _____ Date ▶ _____

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

39341753202

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2018 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ BAKER TILLY VIRCHOW KRAUSE, LLP Date ▶ 11/06/19

**ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**

LHA For Paperwork Reduction Act Notice, see instructions.

Form **8879-EO** (2018)