



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
ANNUAL STATUS REPORT TO THE BOARD OF DIRECTORS
CONCERNING ACTIVITIES OF THE RETIREMENT PLAN COMMITTEE
As of December 31, 2020

This report is provided to inform the Board of Directors of the activities of the Retirement Plan Committee ("Committee") during the 12-month period ending December 31, 2020.

The Committee met four times during 2020. Minutes were kept of each Committee Meeting, and copies of materials reviewed by the Committee have been maintained as part of the meeting record.

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

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

ERCOT 401(k) Savings Plan ("Plan")

1. Morgan Stanley Smith Barney LLC dba Graystone Consulting (Graystone) provided detailed quarterly reports on the investments in the Plan, reviewing the following criteria, among others: (a) performance on a rolling and trailing return basis relative to benchmarks and the appropriate universes of actively managed investments; (b) changes to the management teams of investment managers; (c) significant issues affecting the firms within which the investment managers operate; (d) investment quality of fixed-income investments; (e) diversification of holdings; (f) the amount of risk taken; (g) changes in investment style; (h) cost; and (i) fiduciary updates.
2. The 2019 Plan Year audit report for the Plan was reviewed and accepted. The Board of Directors selected Baker Tilly as auditor of ERCOT's 401(k) Plan beginning with the 2021 Plan Year audit.
3. ERCOT transitioned the 401(k) Savings Plan to a flat fee per participant structure effective January 1, 2020.
4. The Committee adopted the Coronavirus Aid, Relief, and Economic Security (CARES) Act distribution and delayed Required Minimum Distribution options effective March 26, 2020. The Plan experienced 15 CARES Act distributions during 2020 totaling approximately \$714,200.00.
5. The Committee elected to replace 3 underperforming funds. All additions and balance transfers were completed during 2020.
6. Fidelity provided 4 days of virtual personalized retirement advice sessions for employees.