



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, 2021

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, 2021.

The Committee met three times during 2021. 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 2020 Plan Year audit report for the Plan was reviewed and accepted. The Board of Directors selected Baker Tilly as the independent auditor for ERCOT's 401(k) Plan beginning with the 2021 Plan Year.
3. Fidelity provided 5 days of virtual personalized retirement advice sessions for employees and 4 virtual open forum discussion Question & Answer Workshops for ERCOT employees.
4. In January 2022, the Committee approved to move the T. Rowe Price Target Date funds to a Commingled Investment Trust resulting in the same cost for each fund.
5. Effective June 22, 2021, the Plan was updated to allow additional distribution options to inactive participants within the ERCOT 401(k) Savings Plan. The participants may request partial distributions pro-rata across all funds and sources, or from specific sources or funds. The options allow separated participants the ability to manage their tax liability by taking distributions on taxable and non-taxable sources (Roth only).

distribution or Pre-tax only distribution).

6. ERCOT's Plan began offering additional Financial Wellness Services for discounted services and programs through third-party companies. Types of discounted services include debt counseling, student debt services, estate planning, attorney services (mediation, divorce, and adoption), tax preparation, college prep and admissions counseling, mortgage services, and cash management services.