



Item 6.5: Policy on Independent Auditor Selection

Sean Taylor

Vice President and Chief Financial Officer

Finance and Audit Committee Meeting

ERCOT Public

February 27, 2023

Overview

- **Purpose**

- Annual review of the Finance and Audit (F&A) Committee Charter requirement that the Committee establish the Company's policies relating to the solicitation and engagement for independent audit services

- **Voting Items / Requests**

- No action is requested of the F&A Committee or Board; for discussion only

- **Key Takeaways**

- The Company's policies relating to the solicitation and engagement for independent audit services are in place and consistent with last year
- The next required request for proposal (RFP) for independent audit services will be in 2026
- The next required financial statements audit partner rotation will be for the 2025 audit

Policies

- **Audit Firm Rotation**: Select audit firms based on competitive solicitation rather than establish a mandatory audit firm rotation cycle
- **Competitive Solicitation**: Solicit audit services at least every six years
 - In August 2020, ERCOT issued an RFP for independent audit services for the next six-year period
 - In December 2020, based on the RFP results, the Board selected the independent auditors to perform the 401(k) Savings Plan, Financial Statement, and SOC audits
- **Engagement Partner Rotation**: Require engagement partner rotation after no more than five years for the Financial Statement Audit
 - Jeff Gendreau is the engagement partner beginning with the 2020 Financial Statement Audit