



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.

**ANNUAL STATUS REPORT TO THE HUMAN RESOURCES & GOVERNANCE COMMITTEE
CONCERNING ACTIVITIES OF THE RETIREMENT PLAN COMMITTEE**

As of December 31, 2023

This report is provided to inform the Human Resources & Governance Committee of the activities of the Retirement Plan Committee ("Committee") during the 12-month period ending December 31, 2023.

The Committee met four times during 2023. 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 2022 Plan Year financial audit report for the Plan was reviewed and accepted.
3. The Board of Directors approved Baker Tilly to continue as the independent auditor for ERCOT's 401(k) Savings Plan for the 2023 Plan Year.
4. Fidelity provided 4 days of virtual personalized retirement advice sessions for employees.
5. In March 2023, the Committee approved to add JPMorgan Large Cap Growth Fund Class R6 to the core investments.
6. In December 2023, Graystone provided annual fiduciary training to the Committee. During this training, Graystone reminded the Committee of their fiduciary responsibilities and provided updates on pertinent litigation in the news and pending legislative items.