



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, 2024

This report is provided to inform the Human Resources & Governance Committee of activities of the Retirement Plan Committee ("Committee") during the 12-month period ending December 31, 2024.

The Committee met five times during 2024. 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 2023 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 2024 Plan Year.
4. Fidelity provided 9 days of virtual personalized retirement advice sessions for employees and 2 in-person educational workshops.
5. The Committee reviewed ERCOT's 401(k) Savings Plan to the Fiduciary Decisions Benchmarking report. ERCOT's recordkeeping and fund management fees are slightly lower than the custom benchmark. ERCOT's plan outscored the custom benchmark in plan participation rate, deferral rate, percent of participants maximizing company match, and percent of terminated participants leaving their balance in the Plan.



6. The DFA Emerging Markets Portfolio Institutional Class fund replaced Invesco Developing Markets Funds Class R6 fund in the Plan's investment portfolio in March 2024.
7. In April 2024, the Retirement Committee approved adding Managed Accounts to the Plan's 401(k) offerings. This is a fee based managed investment service. The cost for the managed accounts are paid by participants according to the size of their retirement balance.