Item 11: Human Resources Operations Report

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Human Resources and Governance Committee Meeting

December 8, 2025

Purpose
This presentation provides the Committee a YTD overview of Human Resources (HR) activities and key staffing statistics

For Information Only
No action is requested of the ERCOT Board; for discussion only.

Key Takeaways

- HR Operational activities remain high.

- HR's 2025 work and priorities support Strategic Objective 3 in the ERCOT Strategic Plan to **"Advance ERCOT Inc. as an independent leading industry expert and *an employer of choice by fostering innovation, investing in our people, and emphasizing the importance of our mission. "***

- 2025 Employee Survey findings report high engagement.
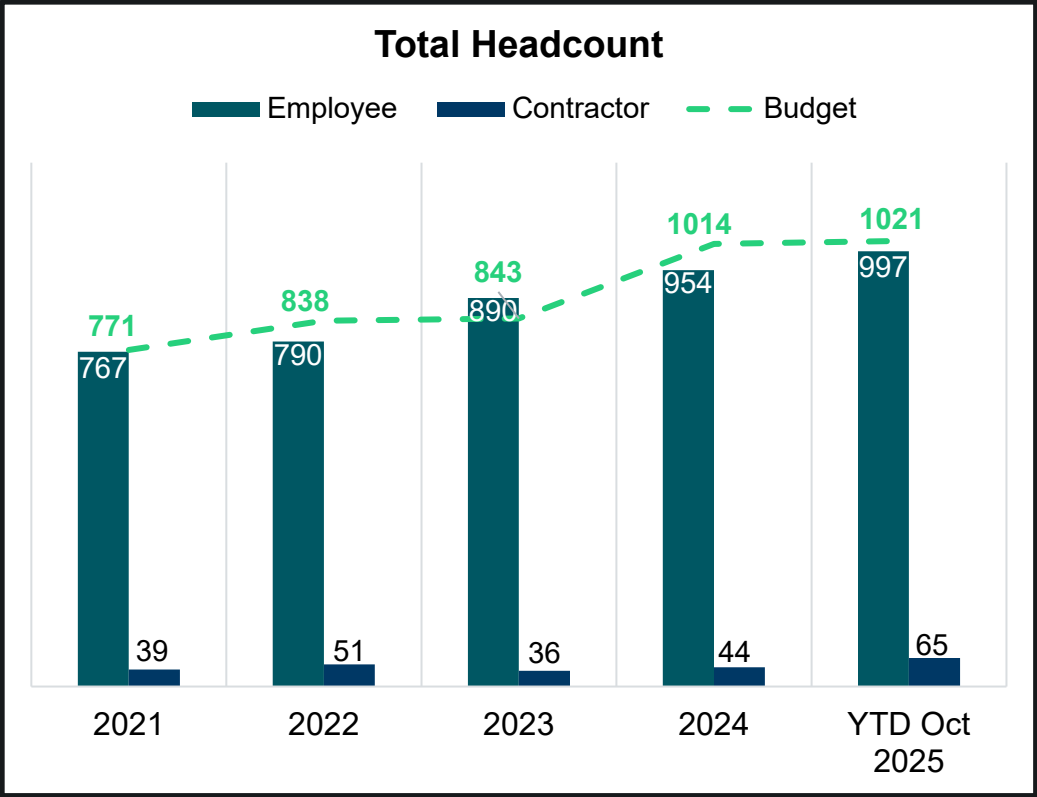
Public

Employee Labor Budget to Actuals

Employee Labor Summary
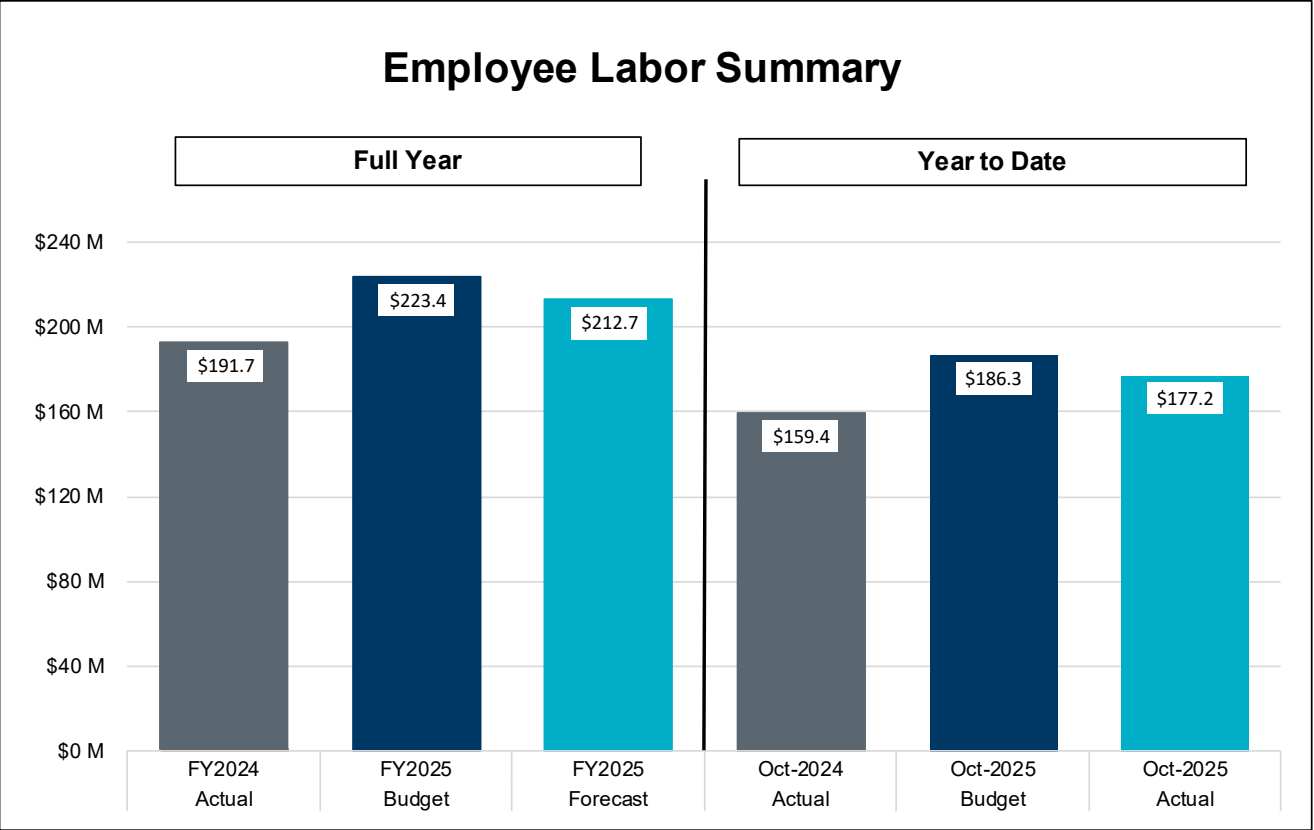
Note: Excludes Some Aspects of Labor

	Full Year			Year to Date		
	Actual	Budget	Forecast	Actual	Budget	Actual
	FY2024	FY2025	FY2025	Oct-2024	Oct-2025	Oct-2025
$ in Millions	$ 191.7	$ 223.4	$ 212.7	$ 159.4	$ 186.3	$ 177.2

Headcount Overview

Total Headcount

Legend: ■ Employee ■ Contractor - - - Budget

Year	Budget	Employee	Contractor
2021	771	767	39
2022	838	790	51
2023	843	890	36
2024	1014	954	44
YTD Oct 2025	1021	997	65

YTD October 2025 Headcount Summary		
Business Area	Employee	Contractor
CCO - Legal	25	
CDO - IT	154	24
CEO	7	
CFO	30	1
CISO - Security	77	1
Com Ops	107	1
COO	4	
DevOps & Grid Transformation	167	12
Enterprise Risk & Strategy	16	2
HR	20	6
Legal & Compliance	40	1
Public Affairs	41	2
System Ops	167	1
System Planning/Weather	142	14
	997	**65**

Key Takeaway: Current headcount is comprised of 997 employees and 65 contractors. The net increase of employee headcount is 43 since 2024.

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Budgeted and Filled Positions

Headcount Budget vs Filled

- Budget — Filled

	COO	CDO	CCO	CEO	HR	CFO
Budget	435	405	111	3	20	47
Filled	420	400	107	2	21	47

Positions being Recruited

- COO — CDO — CCO — CFO — HR

41

25 — COO
10 — CDO
3 — CCO
2 — CFO
1 — HR
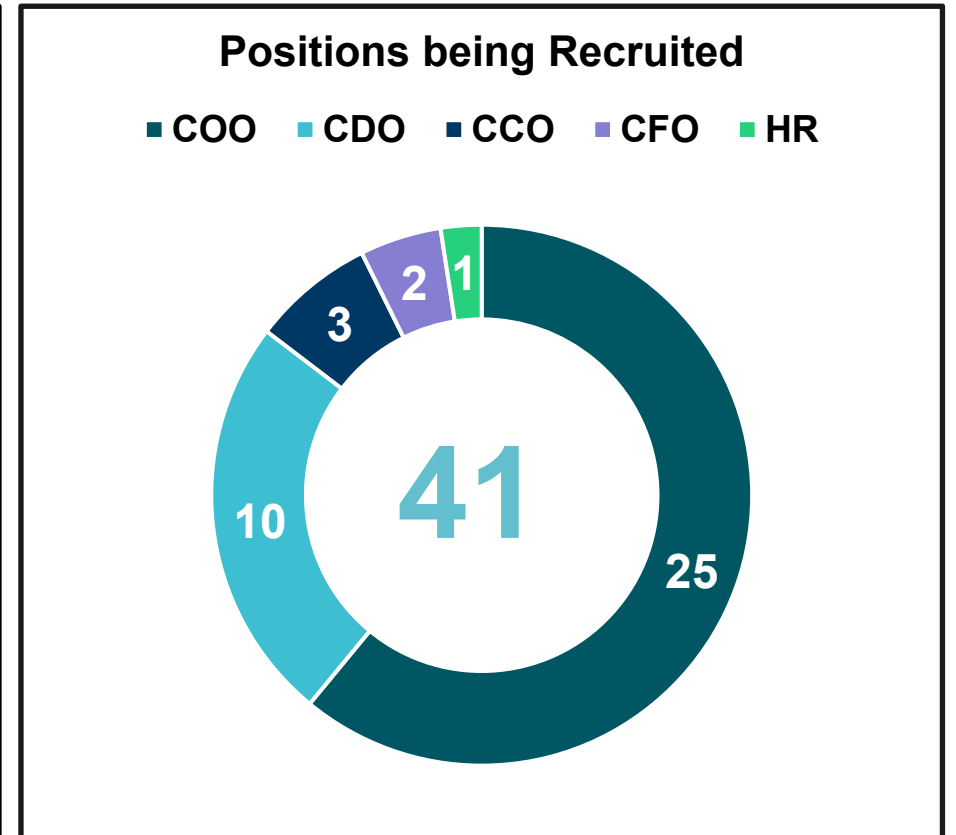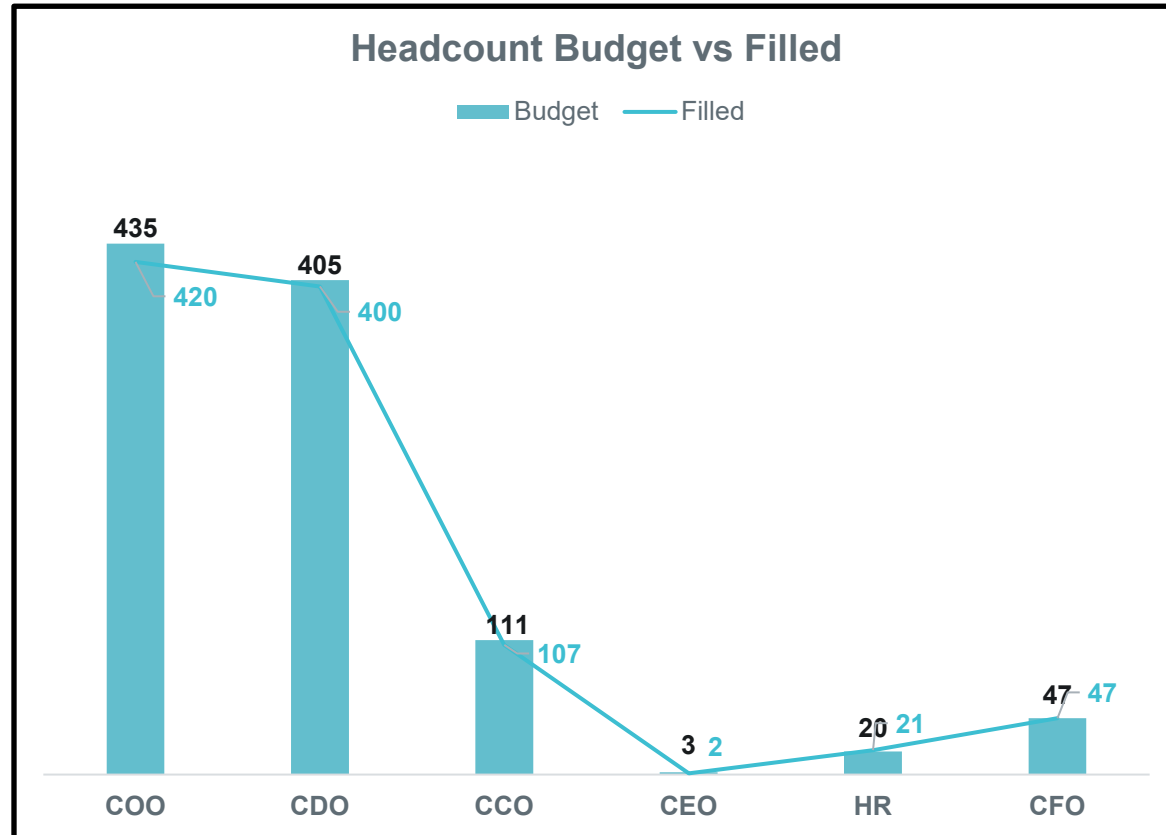
Key Takeaways: Employee headcount is 24 below budgeted headcount, with 41 positions actively being sourced.

2025 New Hires

New Hires

Legend: Employee Year End ■ Employee YTD October ■ Intern Year End

Year	Employee Year End	Employee YTD October	Intern Year End
2021	76	60	14
2022	132	99	15
2023	151	139	12
2024	138	130	18
2025	103		20

YTD October 2025 New Hire Summary

Business Area	Employee New Hires	Intern New Hires
CCO - Legal	6	
CDO - IT	15	2
CEO		
CFO	5	
CISO - Security		
Com Ops	16	1
COO		
DevOps & Grid Transformation	14	3
Enterprise Risk & Strategy	1	
HR	4	
Legal & Compliance	10	
Public Affairs		
System Ops	9	5
System Planning/Weather	23	9
	103	**20**

Key Takeaway: HR onboarded 103 new employees into the company through October 2025, plus 20 interns in June.

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Talent Acquisition Overview

TIME TO FILL : 2022 - 2025
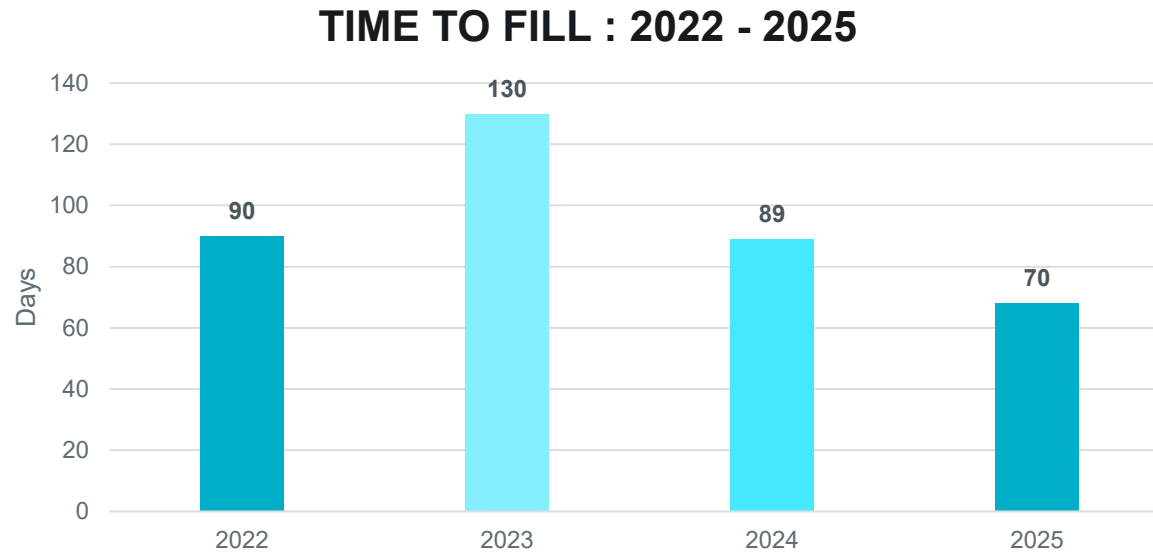
*Time-to-fill data is calculated from the date a req is opened to the date an offer is accepted.

Key Takeaways: The average time-to-fill has lowered 21% for 2025 vs. 2024. The significant decrease is attributed to 2026 accelerated positions which increased the number of internal hires and conversion of contingent workers.

Leadership hires across the organization are primarily filled with internal applicants.

Opened Requisitions: 188

Filled Requisitions: 168
- Full Time: 148
- Interns: 20

Internal/External Hiring
- 79% Filled External
- 21% Filled Internal

Leadership Hires
- 21% Filled External
- 79% Filled Internal

*Leadership: Any role Supervisor and above

Applicants & Sources
Total Applicants: 20,577

- LinkedIn: 4,767
- Indeed: 4,114
- ERCOT Website: 6,375
- Glassdoor: 1,331
- Other Sites: 3,990

*All data as of 11/17/2025

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2026 Accelerated Positions

Positions Accelerated – 5/29/2025 - 6/30/2025
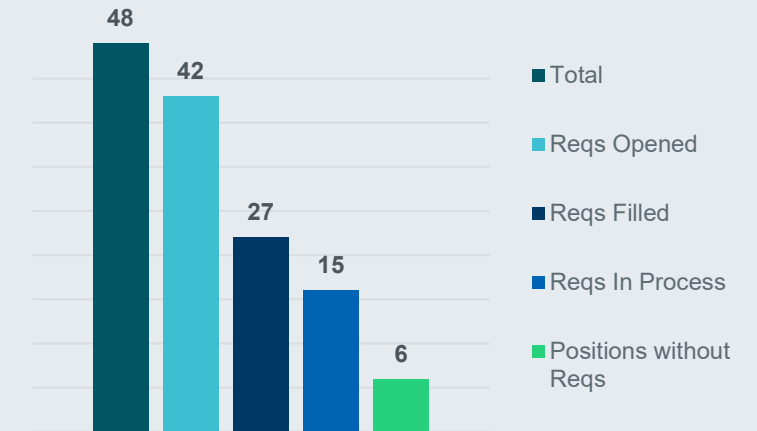
- Total Positions: 29
- Total Filled: 80%

Positions Accelerated – 7/1/2025 - 11/17/2025

- Total Positions: 19
- Total Filled: 22%

Key Takeaways: Significant progress has been made on the 2026 Accelerated Positions. 56% have been filled YTD and additional progress is well under way with the remaining. We anticipate that a large percentage of accelerated positions with open requisitions will be filled by end of 2025.

There will be 82 additional 2026 Budgeted positions opened throughout 2026.

Accelerated Positions

Legend:
- Total
- Reqs Opened
- Reqs Filled
- Reqs In Process
- Positions without Reqs
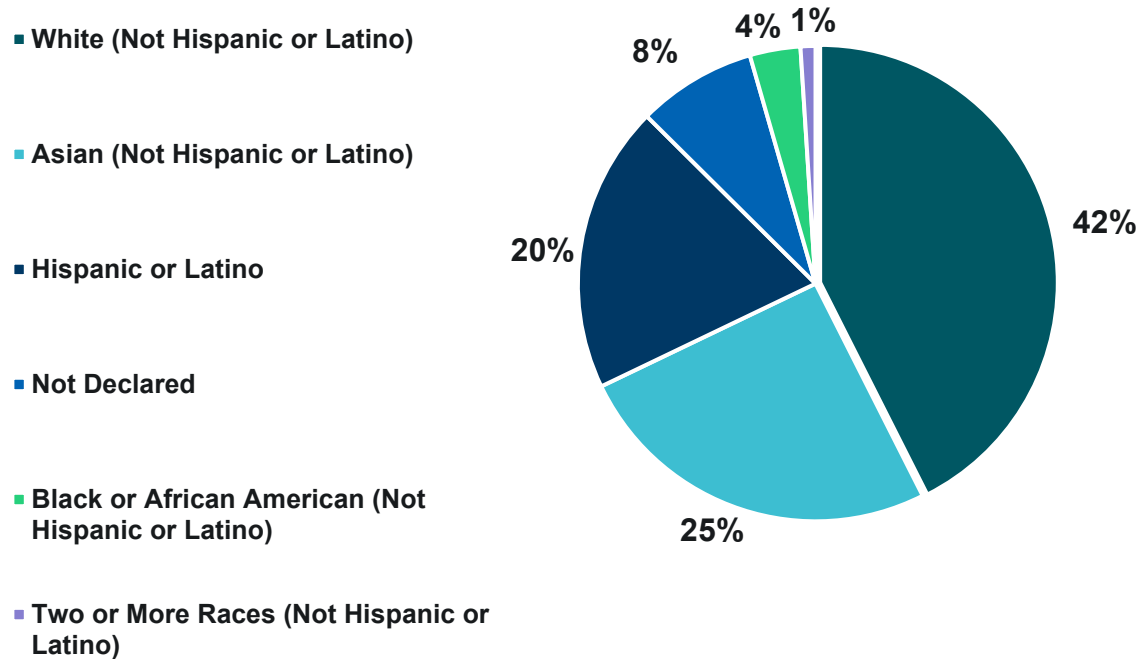
Chart values: 48, 42, 27, 15, 6

- 56% of accelerated positions have been filled

- 29% of remaining accelerated positions do not have open requisitions
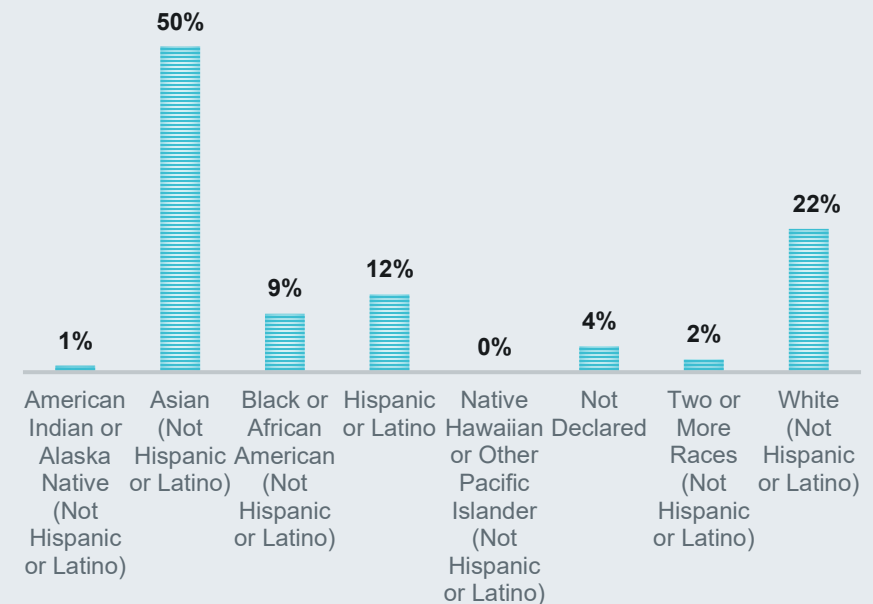
New Employee & Applicant Diversity

Hiring Diversity

- 58% of new hires were diverse by race/ethnicity

- 26% of new hires were female

Legend:
- White (Not Hispanic or Latino)
- Asian (Not Hispanic or Latino)
- Hispanic or Latino
- Not Declared
- Black or African American (Not Hispanic or Latino)
- Two or More Races (Not Hispanic or Latino)
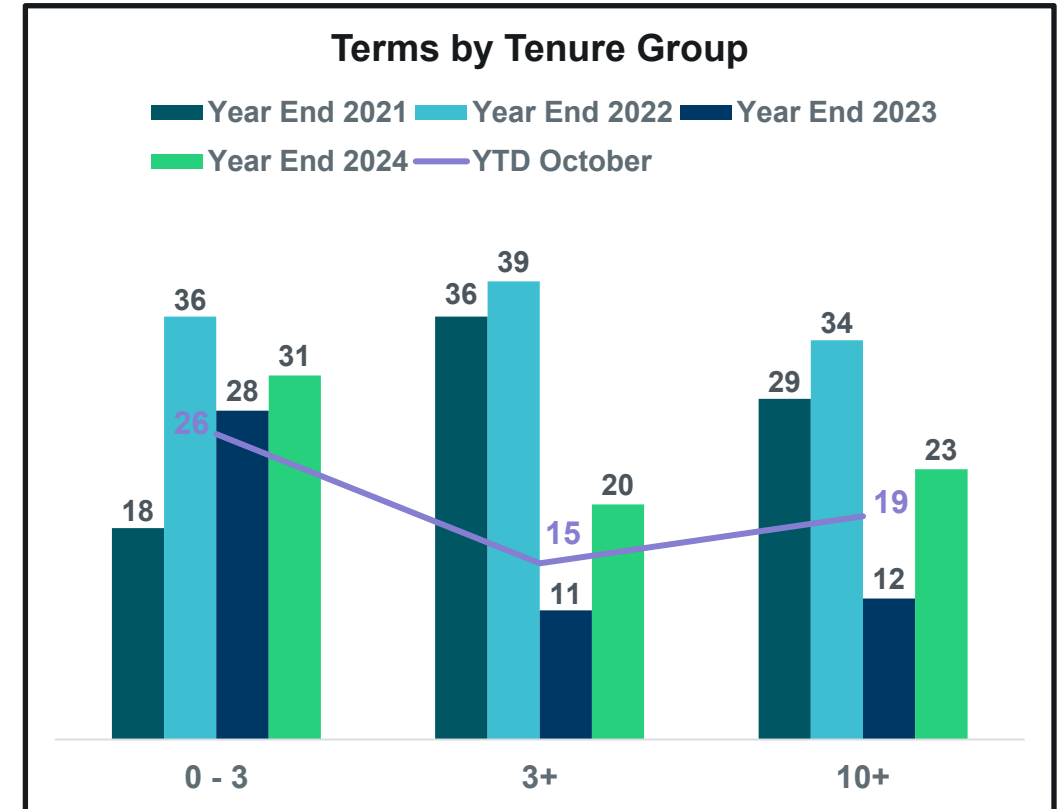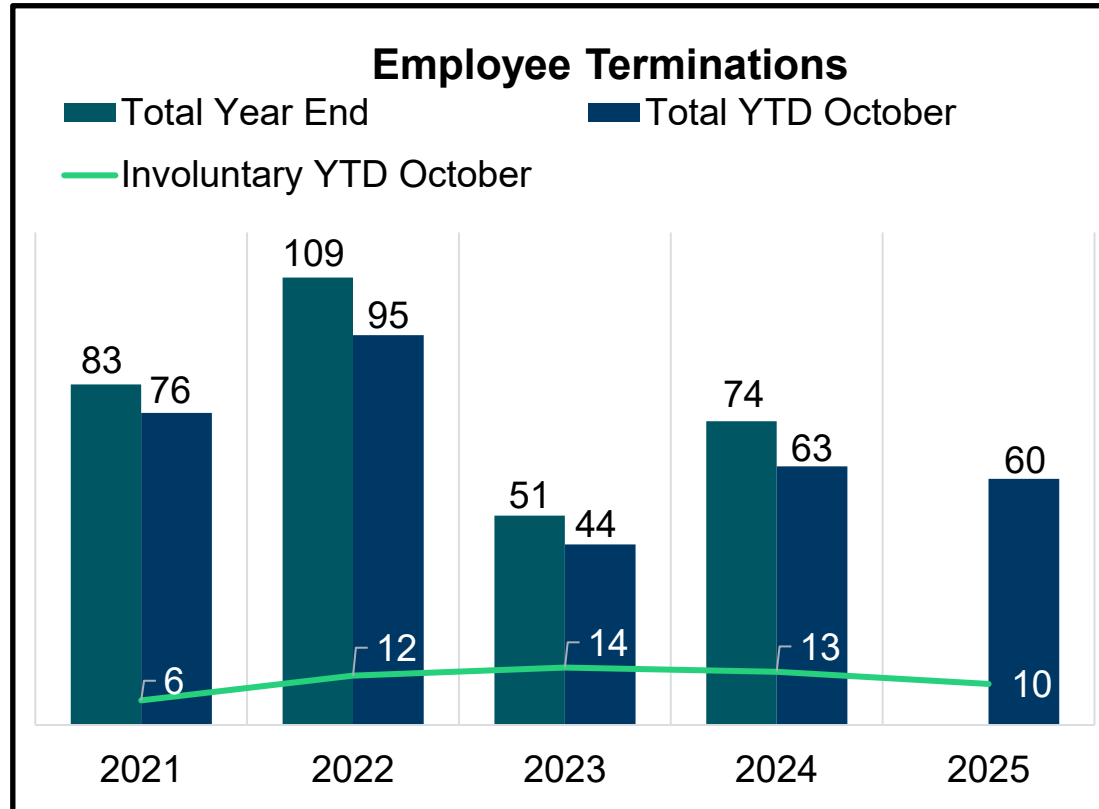
Pie chart values: 42%, 25%, 20%, 8%, 4%, 1%

Applicant Diversity

- 78% of applicants diverse by race/ethnicity

- 29% of applicants female

Bar chart:
Category	Value
American Indian or Alaska Native (Not Hispanic or Latino)	1%
Asian (Not Hispanic or Latino)	50%
Black or African American (Not Hispanic or Latino)	9%
Hispanic or Latino	12%
Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)	0%
Not Declared	4%
Two or More Races (Not Hispanic or Latino)	2%
White (Not Hispanic or Latino)	22%

2025 Terminations

Employee Terminations

Legend: Total Year End | Total YTD October | Involuntary YTD October

Year	Total Year End	Total YTD October	Involuntary YTD October
2021	83	76	6
2022	109	95	12
2023	51	44	14
2024	74	63	13
2025		60	10

Terms by Tenure Group

Legend: Year End 2021 | Year End 2022 | Year End 2023 | Year End 2024 | YTD October

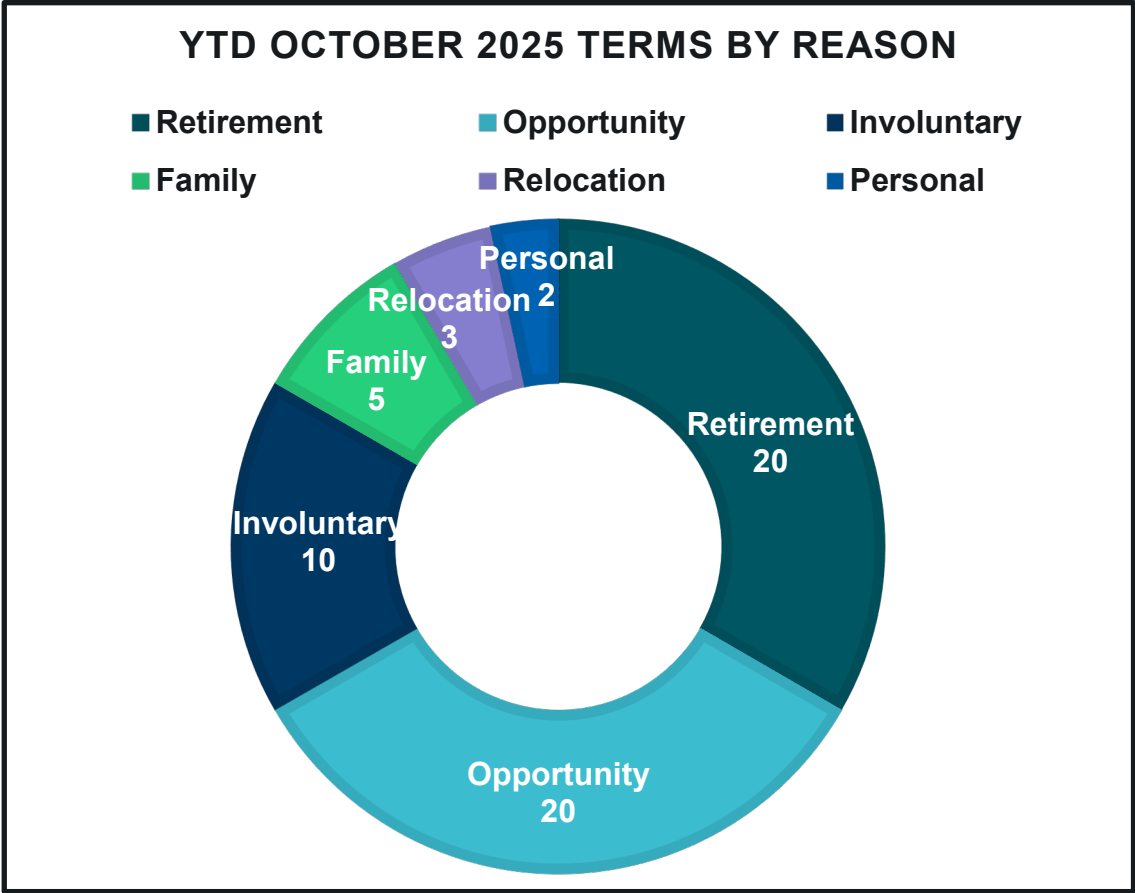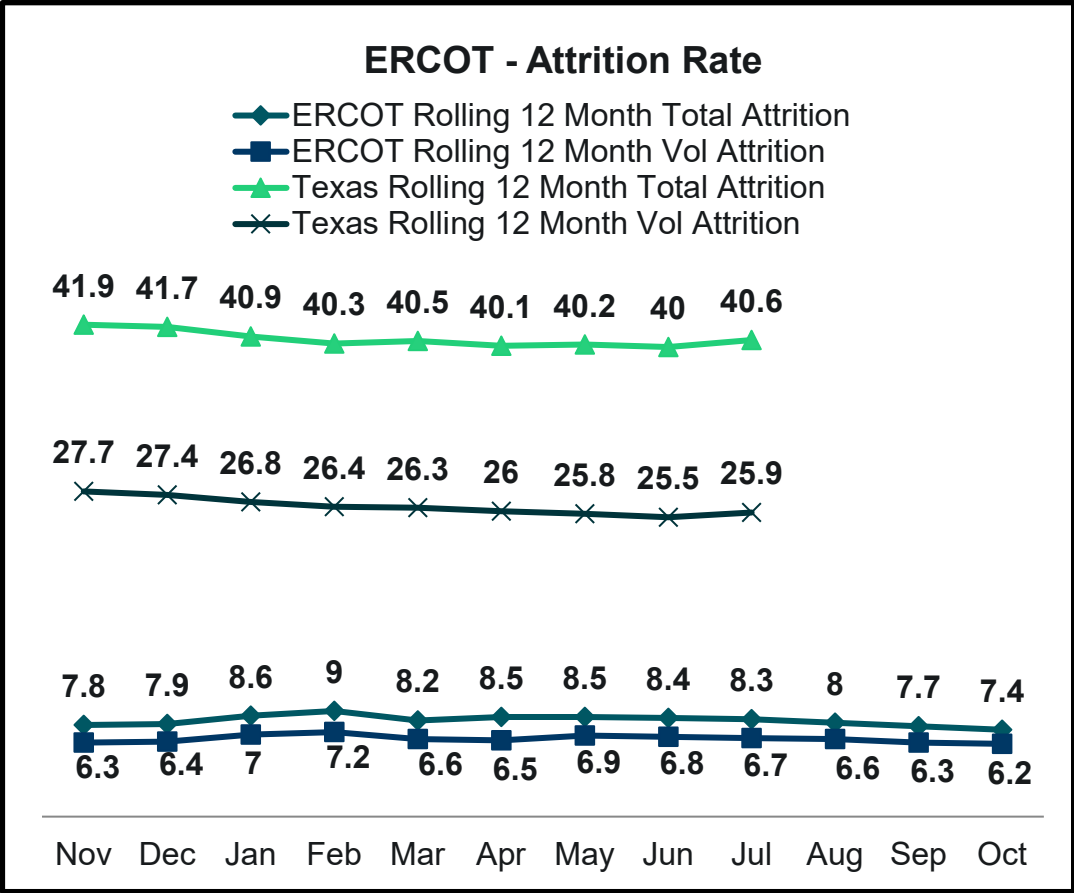| Tenure Group	Year End 2021	Year End 2022	Year End 2023	Year End 2024	YTD October
0 - 3	18	36	28	31	26
3+	36	39	11	20	15
10+	29	34	12	23	19

Key Takeaways: HR offboarded 60 employees and 20 interns through October. 43% of the YTD employee terminations had tenure of 3 years or less.

2025 Attrition & Reasons for Termination

ERCOT - Attrition Rate

Legend:
- ERCOT Rolling 12 Month Total Attrition
- ERCOT Rolling 12 Month Vol Attrition
- Texas Rolling 12 Month Total Attrition
- Texas Rolling 12 Month Vol Attrition

Texas Rolling 12 Month Total Attrition: 41.9, 41.7, 40.9, 40.3, 40.5, 40.1, 40.2, 40, 40.6

Texas Rolling 12 Month Vol Attrition: 27.7, 27.4, 26.8, 26.4, 26.3, 26, 25.8, 25.5, 25.9

ERCOT Rolling 12 Month Total Attrition: 7.8, 7.9, 8.6, 9, 8.2, 8.5, 8.5, 8.4, 8.3, 8, 7.7, 7.4

ERCOT Rolling 12 Month Vol Attrition: 6.3, 6.4, 7, 7.2, 6.6, 6.5, 6.9, 6.8, 6.7, 6.6, 6.3, 6.2

Months: Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct

YTD OCTOBER 2025 TERMS BY REASON

Legend: Retirement, Opportunity, Involuntary, Family, Relocation, Personal

- Retirement 20
- Opportunity 20
- Involuntary 10
- Family 5
- Relocation 3
- Personal 2

Key Takeaways: Total and Voluntary attrition is at lowest point in previous 12 months. ERCOT attrition rate remains below US Bureau of Labor Statistics reported Texas attrition rate for the same period. Retirement and Opportunity are the leading termination reasons.

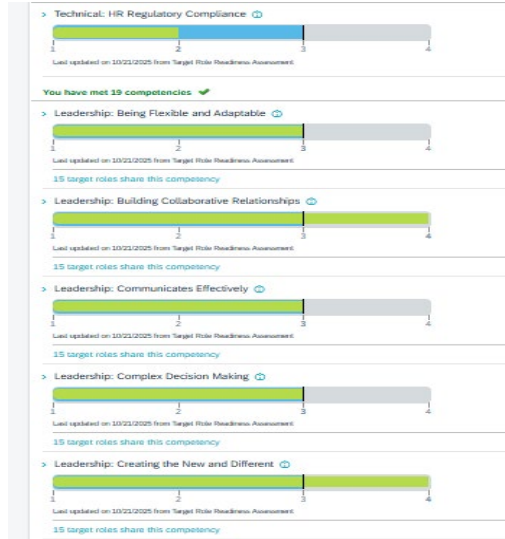# 2025 HR Initiatives

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2025 HR Initiatives

Launch new software to expand our capability for continued succession, individual development planning, and workforce planning at ERCOT to ensure we continue to develop talent for future roles and skills critical to ERCOT's future success.

Launched SAP Success Factors

- Greater visibility into Succession Talent Pool readiness.

- Improved tracking of successor development.

- Clear line of sight into succession implications at all organizational levels.

- Improved and simplified user experience.
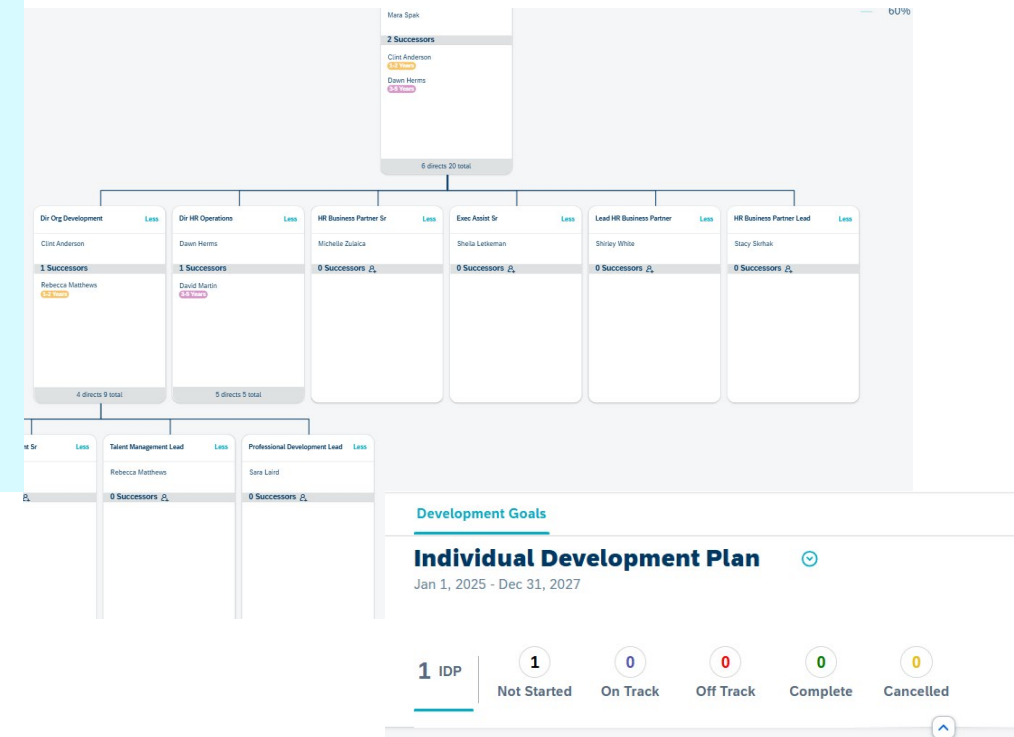
2025 HR Initiatives

Create an Employee Experience Roadmap to enhance retention efforts at ERCOT. The roadmap will prepare us to further launch programs and identify areas for process improvements as we continue our work to identify top talent who align with our culture and enhance the overall employee experience.
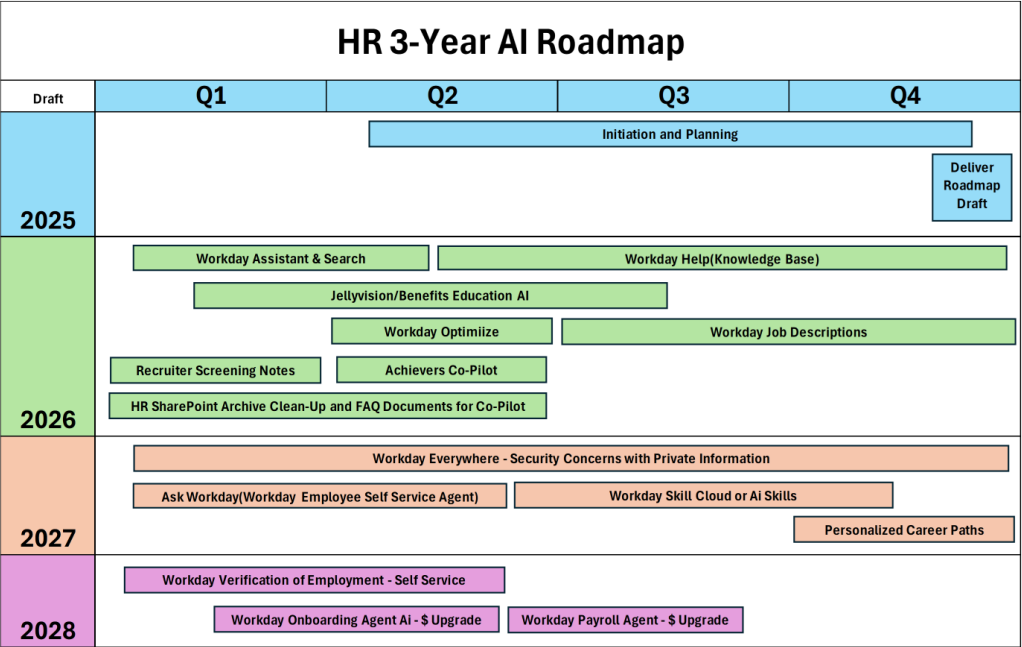
Created 3 Year Employee Experience Roadmap

- Focused on employee engagement and retention.

- Includes improved preboarding and onboarding experience.

- Develops updated manager onboarding experience.

- Plan ongoing integration of talent initiatives into employee experience.

2025 HR Initiatives

Develop an AI roadmap for HR to look for opportunities to create operational efficiencies and enhance employees' experience to access resources, create learning paths, and develop career maps.

HR 3-Year AI Roadmap

Draft	Q1	Q2	Q3	Q4
2025		Initiation and Planning		Deliver Roadmap Draft
2026	Workday Assistant & Search / Jellyvision/Benefits Education AI / Workday Optimize / Recruiter Screening Notes / Achievers Co-Pilot / HR SharePoint Archive Clean-Up and FAQ Documents for Co-Pilot		Workday Help(Knowledge Base) / Workday Job Descriptions	
2027	Workday Everywhere - Security Concerns with Private Information / Ask Workday(Workday Employee Self Service Agent)		Workday Skill Cloud or Ai Skills / Personalized Career Paths	
2028	Workday Verification of Employment - Self Service / Workday Onboarding Agent Ai - $ Upgrade / Workday Payroll Agent - $ Upgrade			

Created 3 Year HR AI Roadmap

- Foundational HR preparation to align with greater ERCOT AI vision.

- Aligns operations and organizational development teams for support on HR AI priorities.

- Allows HR to implement AI aligned to ERCOT and HR strategic priorities in support of employee experience.

2025 HR Initiatives

Launch new comprehensive recognition program to expand current offerings and capabilities for managers and employees to celebrate accomplishments. The new platform also consolidates recognition tools into one platform, thereby increasing participation across the company.

Launched new and enhanced employee recognition platform and program:

- Launched ERCOT Achievers recognition platform with very high adoption and ongoing engagement.

- Introduced challenge coin recognition program at Employee Summit.

- Recognition programs aligned to new Core Values to support implementation and adoption.

- Ongoing recognition calendar for 2026 to ensure continued development of recognition activities.
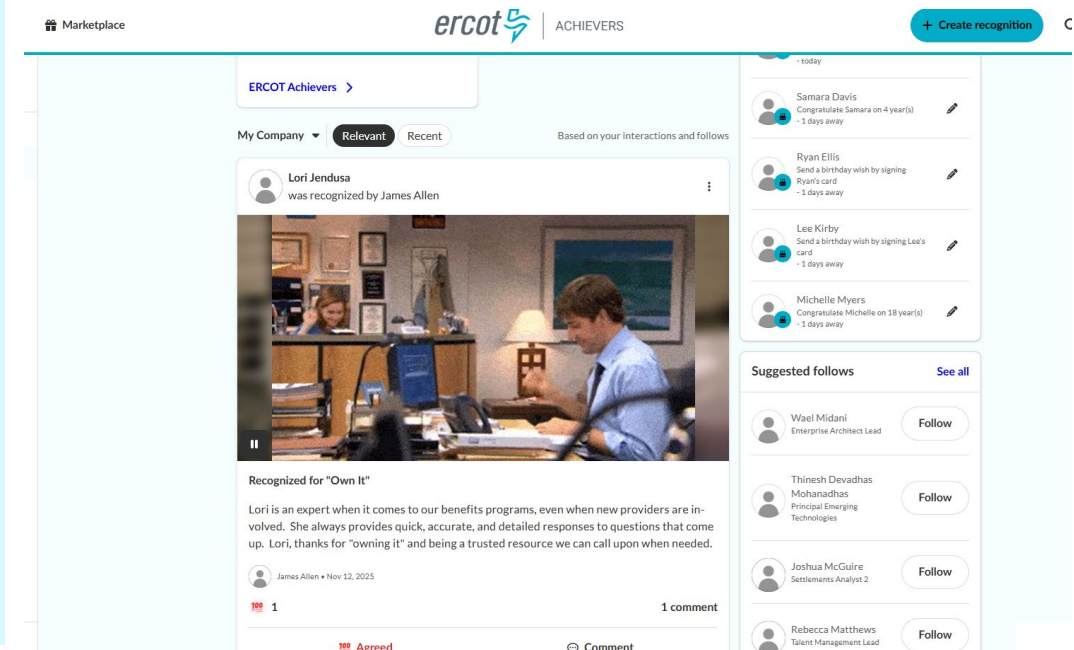
2025 OKR Objective Work: Promote better **talent identification and acclimation** into ERCOT

Key Result: Reduce amount of turnover in the tenure category "Under 3 Years" compared to total terminations in 2025.

HR created a task force to explore the causes of turnover, identify improvement opportunities, and execute plans to support OKR.

The task force:
- Reviewed hiring and retention data.
- Conducted focus groups with employees in the "Under 3 Years" of employment category.
- Explored employee experience practices within HR.

This assessment did not identify any factors that are impacting employee experience during the hiring, onboarding and first 3 years of employment.

As a result, the task force implemented proactive initiatives to support the OKR.

1. **Stay Interviews**: HR Initiated stay interviews as an opportunity for management and employees to check in on the 0-3 employee experience.
2. **Employee Education**: Provided greater visibility into ERCOT Employee Value Proposition to ensure an understanding of our investment in our employees and launched a new Total Rewards Dashboard to provide employees with visibility into all ERCOT offers employees.
3. **Talent Acquisition Practices**: Conducted a review of indicators of candidates that may not be best fit for ERCOT to ensure new hires are successful as they assimilate into the organization.
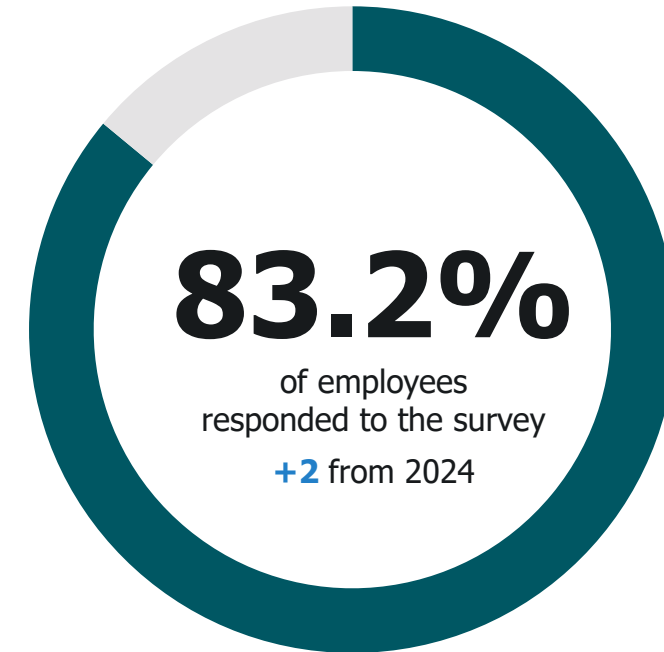
Annual Employee Survey Results

Employee Survey Results

	Favorable	Neutral	Unfavorable	2024 ERCOT Employee Survey	Perceptyx Overall Benchmark	Utilities Benchmark
Engagement	88.3%		8.5%	+3.0	+10.3	--
Trust in Manager	88.1%		8.8%	+0.9	+8.8	--
Job Satisfaction	84.2%	10.9%		+2.8	+8.7	+10.1
Company Culture	84.1%	12.2%		+2.1	+13.1	--
Benefits/Well-Being	82.6%	11.7%		+3.4	+14.8	--
DEI	82.1%	12.3%		-0.2	+9.1	--
Feeling Valued	78.1%	15.3%		+0.5	+9.0	--
Teamwork	77.2%	15.4%	7.5%	0.0	+3.9	--
Career Development	75.9%	17.1%	7.0%	+0.8	+7.6	+10.0
Trust in Senior Leaders	72.8%	17.3%	9.9%	+6.1	+5.4	--

83.2%

of employees
responded to the survey

+2 from 2024

2025 All-Industry Response Rate: **72.8%**

2025 Utilities Response Rate: **72.2%**

11 respondents opened, but did not respond

Key Takeaways: ERCOT employees remain highly engaged, continuing to outperform both Perceptyx and Utilities benchmarks. Response rate increased in 2025. Overall engagement exceeds 95th%ile Perceptyx benchmarks.