

**The Finance and Audit (F&A) Committee is
expected to consider
F&A Committee Agenda Items 5.3 and 9.1:**

***Recommendation regarding Acceptance of
2025 System and Organization Control Audit
Report***

at its meeting on December 8-9, 2025.

**The Board of Directors is expected to hear
the F&A Committee's recommendation on
this matter as part of the
F&A Committee Report
at the Board meeting
on December 8-9, 2025.**

**Attached are the Board materials
in relation to these agenda items.**



Date: December 1, 2025
To: Board of Directors
From: Bill Flores, Finance and Audit (F&A) Committee Chair
Subject: Acceptance of 2025 System and Organization Control Audit Report

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: December 8-9, 2025

Item No.: 12.2.1

Issue:

Acceptance of the 2025 System and Organization Control (SOC) Audit Report

Background/History:

Per Section 1.4.3.1(1) of the ERCOT Protocols (entitled “Audits to be Performed”), “At least annually, an Appointed Firm shall perform a System and Organization Control (SOC) audit of ERCOT regarding ERCOT’s market Settlements operations.” Weaver & Tidwell, LLP (Weaver) was engaged to perform the audit for 2021.

Weaver has provided its Report on Electric Reliability Council of Texas, Inc.’s Description of its Settlement and Billing Operations System and Suitability of the Design and Operating Effectiveness of its Controls for the period October 1, 2024 through September 30, 2025 (SOC 1 Report), including the auditor’s opinion. Weaver’s opinion is unmodified. There are no reportable exceptions.

On December 8, 2025, Weaver met with the ERCOT Finance & Audit Committee (F&A) to review the SOC Report. Given the unmodified opinion, the 2025 SOC Audit Report is expected to be accepted by the Committee.

Due to the confidentiality of the SOC 1 Report, the draft report is available solely for the Board’s electronic viewing in the Board’s Executive Session meeting materials.

Key Factors Influencing Issue:

1. ERCOT Protocol Section 1.4.3.1(1) requires an annual SOC audit be performed;
2. Certain external organizations, including Market Participants, utilize the SOC 1 Report as an assurance of the suitability of ERCOT internal controls in connection with certain Sarbanes-Oxley reporting requirements; and
3. Because most Market Participants’ fiscal years end December 31, acceptance of the SOC 1 Report in a timely manner will allow the Report to be utilized in connection with preparation of their year-end financial statements.

Conclusion/Recommendation:

ERCOT staff recommends, and the F&A Committee is expected to recommend, that the Board accept the 2025 SOC Audit Report.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, Section 1.4.3.1(1) of the ERCOT Protocols (entitled "Audits to be Performed") requires that at least annually, an Appointed Firm shall perform a System and Organization Control (SOC) audit of ERCOT regarding ERCOT's market Settlements operations;

WHEREAS, Weaver & Tidwell, LLP (Weaver) was engaged as the Independent Service Auditor to perform ERCOT's System and Organization Control audit for 2025;

WHEREAS, Weaver's opinion on the System and Organization Control audit for the period from October 1, 2024 to September 30, 2025 is unmodified;

WHEREAS, after due consideration of the alternatives, recommends that the Board of Directors (Board) of ERCOT accept the System and Organization Control audit report for the twelve-month period ended September 30, 2025 (also known as the 2025 System and Organization Control Audit Report), as presented by Weaver; and

WHEREAS, the Board deems it desirable and in the best interest of ERCOT to accept the F&A Committee's recommendation to accept the 2025 System and Organization Control Audit Report;

THEREFORE, BE IT RESOLVED, that the 2025 System and Organization Control Audit Report is hereby accepted.

CORPORATE SECRETARY'S CERTIFICATE

I, Brandon Gleason, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its December 8-9, 2025 meeting, the ERCOT Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of December, 2025.

Brandon Gleason
Assistant Corporate Secretary