



Item 5.3: Policy on Independent Auditor Selection

Richard L. Scheel, CPA
Senior Vice President,
Chief Financial Officer,
and Chief Risk Officer

Finance and Audit Committee Meeting

February 9, 2026

Purpose

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

For information only

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 most recent required financial statements audit partner rotation started for the 2025 audit

Policy on Independent Auditor Selection

- **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
 - Jodi Dobson, is the engagement partner beginning with the 2025 Financial Statement Audit