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Item 4.1: Review of Requirements for Annual Audit of 401(k) Savings Plan

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Senior Vice President,
Chief Financial Officer,
and Chief Risk Officer

Finance and Audit Committee Meeting

September 14, 2026

Purpose

Highlight the requirements for an annual audit of ERCOT's 401(k) Savings Plan and the process followed for the audit report on statements as of December 31, 2025.

Voting Items

Following a presentation by Baker Tilly US, LLP (Baker Tilly), the Committee will vote on whether to recommend that the Board accept Baker Tilly's audit

Key Takeaways:

- Baker Tilly completed the Board-approved 2025 audit of ERCOT's 401(k) Savings Plan and reports no findings of material issues in the Plan's administration.

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1 REQUIREMENTS

Why an annual audit is required

ERISA

ERCOT's 401(k) Savings Plan is qualified under ERISA. The Plan sponsor must annually file Form 5500 with the U.S. Department of Labor, and the filing must include the Plan's audited financial statements.

FINANCE AND AUDIT COMMITTEE CHARTER

The Charter requires that, annually, the Committee shall recommend to the Board the acceptance of the ERCOT 401(k) Savings Plan audit report.

2 PROCESS

How the 2025 Plan Year audit was completed

1 Auditor engaged

In 2020, the Board approved selection of Baker Tilly US, LLP as auditor for the 2021 through 2026 401(k) Savings Plan audits, subject to annual approval.

2 2025 Plan Year approved

At the June 23-24, 2025 Board meeting, the Board approved Baker Tilly for the 2025 Plan Year.

3 Audit completed

NO MATERIAL FINDINGS

Baker Tilly's 2025 audited financial statements reflect no findings indicating material issues with the administration of the Plan.