



Date: September 4, 2026
To: Board of Directors
From: Finance & Audit Committee
Subject: Acceptance of ERCOT 401(k) Savings Plan 2025 Plan Year Audit Report

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: September 14-15, 2026

Item No.: 19.1.1

Issue:

Acceptance of the audited financial statements of Electric Reliability Council of Texas, Inc.'s (ERCOT's) 401(k) Savings Plan (401(k) Plan), as of December 31, 2025.

Background/History:

ERCOT maintains a 401(k) retirement savings plan for its employees, qualified under the Employee Retirement Income Security Act (ERISA). Pursuant to ERISA, plan sponsors must annually file Form 5500 with the U.S. Department of Labor. The required filing must include the Plan's audited financial statements.

On December 8, 2020, the Board approved Baker Tilly to provide 401(k) Plan audit services for calendar years 2021, 2022, 2023, 2024, 2025, and 2026 subject to the annual approval of the Board for 2022, 2023, 2024, 2025, and 2026. Based on this approval, ERCOT engaged Baker Tilly US, LLP (Baker Tilly) to provide 401(k) Plan audit services for the calendar year ending December 31, 2025.

It is expected that on September 14, 2026, a representative of Baker Tilly will meet with the Finance and Audit (F&A) Committee to discuss the proposed final audit report for the ERCOT 401(k) Plan, as of December 31, 2025.

The F&A Committee is expected to recommend that the Board accept the 2025 audited financial statements for the ERCOT 401(k) Plan, as of December 31, 2025, as prepared by Baker Tilly, during its meeting.

A draft of the final audit report for the ERCOT 401(k) Plan, as of December 31, 2025, prepared by Baker Tilly, and submitted for the Board's acceptance, is attached hereto as **Exhibit A.**

Key Factors Influencing Issue:

- The ERISA reporting requirements and filing requirements for the annual Form 5500 for ERCOT's 401(k) Plan. The 401(k) Plan's books and records must be audited by an independent auditor, and a copy of the audit report supplied with Form 5500. The 2025 filing is due no later than October 15, 2026;

- Section IV(G)(2) of the Finance and Audit Committee Charter provides that based on its review and discussions with management and the independent auditor the Committee shall provide a recommendation to the Board whether the 401(k) Savings Plan audit report should be accepted.
- The draft report attached hereto reflects no findings indicating material issues with the administration of the 401(k) Plan, and the expectation that the F&A Committee will recommend approval of same; and
- The expectation that Baker Tilly will issue a final opinion consistent with the draft version attached hereto as **Exhibit A**.

Conclusion/Recommendation:

The F&A Committee is expected to review the final audited statements for ERCOT's 401(k) Plan prepared by Baker Tilly, as of December 31, 2025, at its meeting on September 14, 2026, and is expected to recommend that the Board accept the audited financial statements of ERCOT's 401(k) Plan, as of December 31, 2025, as presented in draft form by Baker Tilly, attached hereto as **Exhibit A**.



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

WHEREAS, Baker Tilly has issued a report in connection with its audit of ERCOT's financial statement for the 401(k) Plan as of December 31, 2025;

WHEREAS, the Finance and Audit (F&A) Committee recommended during the Committee's meeting on September 14, 2026 that the Board accept Baker Tilly's report of audited financial statements of ERCOT's 401(k) Plan, as presented by Baker Tilly during the meeting;

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to accept the report of audited financial statements of ERCOT's 401(k) Plan, as of December 31, 2025, as presented by Baker Tilly at the F&A Committee meeting on September 14, 2026; and

THEREFORE, BE IT RESOLVED, that ERCOT is hereby authorized and approved to accept the Baker Tilly's audit report of financial statements of ERCOT's 401(k) Plan, as of December 31, 2025.

CORPORATE SECRETARY'S CERTIFICATE

I, Brandon Gleason, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its September 14-15, 2026 meeting, the Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2026.

Brandon Gleason
Assistant Corporate Secretary

**Electric Reliability Council of Texas 401(k)
Savings Plan**

Financial Statements and
Supplementary Information

December 31, 2025 and 2024

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Independent Auditors' Report

To the Plan Administrator of
Electric Reliability Council of Texas 401(k) Savings Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Electric Reliability Council of Texas 401(k) Savings Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2025 and 2024, and the related statement of changes in net assets available for benefits for the year ended December 31, 2025, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Electric Reliability Council of Texas 401(k) Savings Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of December 31, 2025 and 2024, and for the year ended December 31, 2025, stating that the certified investment information, as described in Note 5 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Electric Reliability Council of Texas 401(k) Savings Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Electric Reliability Council of Texas 401(k) Savings Plan's ability to continue as a going concern for at least one year following the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Electric Reliability Council of Texas 401(k) Savings Plan's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Electric Reliability Council of Texas 401(k) Savings Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Other Matter - Supplemental Schedule Required by ERISA

The supplemental schedule, Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year), as of December 31, 2025 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Baker Tilly US, LLP

Southfield, Michigan
August 21, 2026

Electric Reliability Council of Texas 401(k) Savings Plan

Statements of Net Assets Available for Benefits

December 31, 2025 and 2024

	2025	2024
Assets		
Investments		
Investments at fair value	\$ 542,815,700	\$ 461,008,724
Receivables		
Notes receivable from participants	4,027,939	3,920,837
Total assets	546,843,639	464,929,561
Net assets available for benefits	\$ 546,843,639	\$ 464,929,561

See notes to financial statements

Electric Reliability Council of Texas 401(k) Savings Plan

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2025

Additions

Investment income

Interest, dividends and other income	\$ 15,930,781
Net appreciation in fair value of investments	57,150,574

Total investment income	73,081,355
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Interest income on notes receivable from participants	312,641
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Contributions

Participant contributions	15,168,139
Employer contributions, net	22,405,101
Rollovers	3,199,744

Total contributions	40,772,984
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Total additions	114,166,980
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Deductions

Benefits paid to participants	32,075,676
Administrative expenses, net	177,226

Total deductions	32,252,902
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Net increase	81,914,078
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Net assets available for benefits	
Beginning of year	464,929,561

End of year	\$ 546,843,639
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See notes to financial statements

Electric Reliability Council of Texas 401(k) Savings Plan

Notes to Financial Statements

December 31, 2025 and 2024

1. Description of Plan

The following description of the Electric Reliability Council of Texas 401(k) Savings Plan (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan established effective January 1, 1997, as restated March 7, 2022. The Plan covers all employees, excluding leased employees and residents of Puerto Rico, of Electric Reliability Council of Texas, Inc. (ERCOT) (the Company or Employer). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan Administrative Committee is responsible for oversight of the Plan. The Plan's Administrative Committee determines the appropriateness of the Plan's investment offerings and monitors investment performance.

Contributions

Each year, participants may contribute up to 99% of pretax annual compensation, as defined in the plan document, up to the maximum limits of the Internal Revenue Code (IRC). Participants also may designate all or a portion of their deferral contributions as after-tax contributions into a Roth account. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants also may contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan includes an automatic enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 3% of eligible compensation and their contributions invested in designated fund determined by the Plan Administrative Committee until changed by the participant. Automatically enrolled participants will have their deferral rate increase by 1% on January 2 until their deferral rate reaches 6%. The Plan also allows for Company discretionary contributions and Company fixed nonelective contributions. For the year ended December 31, 2025, the Company elected to make a discretionary matching contribution equal to 75% of participant elective deferrals up to 6% of a participant's eligible, annual compensation, resulting in a true-up contribution in December 2025. Additionally, the Company made a fixed nonelective contribution of 10% of each participant's eligible compensation. Contributions are subject to certain Internal Revenue Service (IRS) limitations.

Participant Accounts

Each participant's account is credited with the participant's contributions, Company matching contributions, allocations of the Company's contributions and an allocation of the Plan's earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's discretionary matching contribution is based on years of continuous service. A participant is 20% vested after one year of credited service and continues to vest in increments of 20% until 100% vested after five years of credited service. Participants are vested in the Company's fixed nonelective contribution after three years of continuous service.

Electric Reliability Council of Texas 401(k) Savings Plan

Notes to Financial Statements

December 31, 2025 and 2024

Notes Receivable From Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account. The loan interest rate, is set at 1% above the prime rate, as defined by the Plan provisions. Principal and interest are paid ratably through monthly payroll deductions. Terms range up to five years or greater for the purchase of a primary residence.

Payment of Benefits

On termination of service due to death, disability or retirement, a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, or installment payments as provided in the plan document. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump sum distribution. If a terminated participant's vested balance is less than or equal to \$1,000, the amount may be automatically distributed in the form of a lump sum cash payment. In addition, the Plan allows for hardship distributions if certain criteria are met.

Forfeited Accounts

At December 31, 2025 and 2024, forfeited nonvested accounts totaled \$237,651 and \$108,506, respectively. These accounts are used to first pay plan administrative expenses, and then reduce future employer contributions. During 2025, employer contributions were reduced by \$481,004 and plan administrative expenses, which are included in administrative expenses, net, were reduced by \$71,100, from forfeited nonvested accounts, in accordance with plan provisions.

Revenue Sharing

The Plan has a revenue sharing account, which is funded by Fidelity Management Trust Company (the Trustee). Revenue sharing accounts are used to pay administrative expense or are reallocated to participant accounts. For the year ended December 31, 2025, there were revenue sharing contributions of \$69,427, which are included in "administrative expenses, net" on the Statement of Changes in Net Assets Available for Benefits. Revenue sharing available for future use totaled \$26,208 and \$24,101 as of December 31, 2025 and 2024, respectively. During 2025, revenue sharing funds were used to pay administrative expenses.

2. Summary of Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Electric Reliability Council of Texas 401(k) Savings Plan

Notes to Financial Statements

December 31, 2025 and 2024

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's investment committee determines the Plan's valuation policies utilizing information provided by the investment advisers, custodians and insurance company, as applicable. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Contributions

Contributions from participants and the matching contributions from the employer are recorded in the year in which the related participant contributions are withheld from compensation.

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed as incurred.

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation in fair value of investments.

Subsequent Events

Subsequent events were evaluated through August 21, 2026, the date the financial statements were available to be issued.

3. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Electric Reliability Council of Texas 401(k) Savings Plan

Notes to Financial Statements

December 31, 2025 and 2024

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observables and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Mutual funds: Valued at the net asset value (NAV) or quoted market prices of shares held by the Plan at year-end.

Self-directed brokerage accounts: Valued at NAV or quoted market prices of mutual funds of registered investment companies, certificate of deposits or stock shares held by the brokerage fund at year-end.

Common collective trusts: Valued at the NAV of units of an investment collective trust. The NAV, as provided by the Trustee, is based on the fair value of the underlying investments held by the fund less its liabilities. This NAV is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the common collective trust, the Trustee reserves the right to temporarily delay withdrawals from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2025 and 2024:

Assets at Fair Value as of December 31, 2025	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 291,768,854	\$ -	\$ -	\$ 291,768,854
Self-directed brokerage accounts	24,839,454	-	-	24,839,454
Common collective trusts	-	226,207,392	-	226,207,392
Total investments at fair value	\$ 316,608,308	\$ 226,207,392	\$ -	\$ 542,815,700

Electric Reliability Council of Texas 401(k) Savings Plan

Notes to Financial Statements

December 31, 2025 and 2024

Assets at Fair Value as of				
December 31, 2024	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 253,434,932	\$ -	\$ -	\$ 253,434,932
Self-directed brokerage accounts	19,279,097	-	-	19,279,097
Common collective trusts	-	188,294,695	-	188,294,695
Total investments at fair value	\$ 272,714,029	\$ 188,294,695	\$ -	\$ 461,008,724

4. Concentrations

As of December 31, 2025 and 2024, the Plan had investments of \$164,105,176 and \$133,920,734, respectively, that were concentrated in two funds.

5. Information Certified by Trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA for 2025 and 2024. Accordingly, Fidelity Management Trust Company, the Trustee of the Plan, has certified to the completeness and accuracy of all investments and notes receivable from participants reported in the accompanying Statements of Net Assets Available for Benefits as of December 31, 2025 and 2024, and the supplemental Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2025, and the related investment activity and interest income on notes receivable from participants reported in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2025.

6. Related-Party and Party in Interest Transactions

Certain plan investments are managed by the Trustee and therefore, these transactions qualify as party in interest transactions.

Additionally, the Plan issues loans to participants, which are secured by the participant's account balances. These transactions qualify as party in interest transactions.

Certain administrative functions of the Plan are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

7. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants would become 100% vested in their employer contributions.

Electric Reliability Council of Texas 401(k) Savings Plan

Notes to Financial Statements

December 31, 2025 and 2024

8. Tax Status

The Company has adopted a pre-approved plan document offered by FMR LLC that has received an IRS Opinion Letter dated June 30, 2020, stating that the form of the pre-approved plan document was in compliance with the applicable requirements of the IRC. Although the Plan has been amended since receiving the IRS Opinion Letter, the plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC, and, therefore believes that the Plan is qualified, and the related trust is tax exempt.

Plan management is required to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, concentration and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Electric Reliability Council of Texas 401(k) Savings Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

EIN: 74-2587416 Plan Number: 002

December 31, 2025

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
Mutual Funds				
*	Fidelity Investments	Fidelity Contrafund K6	N/R	\$ 77,438,470
*	Fidelity Investments	Fidelity 500 Index Fund	N/R	86,666,706
*	Fidelity Investments	Fidelity Extended Market Index Fund	N/R	13,467,168
*	Fidelity Investments	Fidelity Government Income Fund	N/R	6,373,892
	T. Rowe Price	T. Rowe Price QM U.S. Small-Cap Growth Equity Fund I Class	N/R	11,364,430
	T. Rowe Price	T. Rowe Price Small-Cap Value Fund I Class	N/R	5,963,444
	PGIM	PGIM Jennison Mid-Cap Growth Fund Class R6	N/R	15,133,576
	BlackRock	BlackRock Equity Dividend Fund Institutional Shares	N/R	11,309,358
	MFS	MFS International Growth Fund Class R6	N/R	11,217,629
	Vanguard	Vanguard Total Bond Market Index Fund Institutional Class	N/R	11,509,845
	Vanguard	Vanguard Developed Markets Index Fund Investor Class	N/R	6,748,539
	American Century Investments	American Century Mid-Cap Value Fund Class R6	N/R	14,140,948
	Cohen & Steers	Cohen & Steers Real Estate Securities Fund, Inc. Class Inst	N/R	1,105,350
	JP Morgan	JP Morgan Large Cap Growth R6	N/R	9,362,470
	DFA	DFA Emerging MKTS I	N/R	9,967,028
	AS	AS Core Plus BD MD1	N/R	2,847,326
Total Mutual Funds				294,616,179
Common Collective Trusts				
	T. Rowe Price Trust Company	T. Rowe Price Retirement 2065 Fund F Class	N/R	1,924,433
	T. Rowe Price Trust Company	T. Rowe Price Retirement 2005 Fund F Class	N/R	194,052
	T. Rowe Price Trust Company	T. Rowe Price Retirement 2010 Fund F Class	N/R	968,987
	T. Rowe Price Trust Company	T. Rowe Price Retirement 2015 Fund F Class	N/R	1,560,681
	T. Rowe Price Trust Company	T. Rowe Price Retirement 2020 Fund F Class	N/R	7,074,940
	T. Rowe Price Trust Company	T. Rowe Price Retirement 2025 Fund F Class	N/R	8,315,908

Electric Reliability Council of Texas 401(k) Savings Plan

Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)

EIN: 74-2587416 Plan Number: 002

December 31, 2025

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
	T. Rowe Price Trust Company	T. Rowe Price Retirement 2030 Fund F Class	N/R	\$ 20,228,644
	T. Rowe Price Trust Company	T. Rowe Price Retirement 2035 Fund F Class	N/R	33,808,450
	T. Rowe Price Trust Company	T. Rowe Price Retirement 2040 Fund F Class	N/R	40,807,029
	T. Rowe Price Trust Company	T. Rowe Price Retirement 2045 Fund F Class	N/R	27,423,333
	T. Rowe Price Trust Company	T. Rowe Price Retirement 2050 Fund F Class	N/R	28,522,481
	T. Rowe Price Trust Company	T. Rowe Price Retirement 2055 Fund F Class	N/R	12,864,950
	T. Rowe Price Trust Company	T. Rowe Price Retirement 2060 Fund F Class	N/R	8,884,532
	T. Rowe Price Trust Company	T. Rowe Price Retirement Balanced Trust Class F	N/R	2,648,965
	Wells Fargo Bank, N.A.	Galliard Stable Return Fund C	N/R	28,132,684
		Total Common Collective Trusts		223,360,069
Self-Directed Brokerage Account				
*	Fidelity Investments	Self-Directed Brokerage Account	N/R	24,839,454
		Total investments at fair value		542,815,702
*	Participant Loans	Interest rates: 4.25%-9.50%	\$0	4,027,939
				\$ 546,843,641

*A party in interest as defined by ERISA

N/R - cost omitted for participant directed investments