



# Item 9: Periodic Report on Credit Work Group Activity

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Chair, Credit Work Group

Finance & Audit Committee Meeting

ERCOT Public  
January 14, 2013

- **No meetings in November and December 2012**
- **Next meeting scheduled for January 30, 2013**

## **Key Outstanding Issues:**

- **Updates to Creditworthiness Standards**
  - Reviewed with F&A in November 2012
  - Obtain F&A and Board approval in March 2013
  - A sub-group will continue evaluating the Letter of Credit Concentration Limit

## Key Outstanding Issues:

- **NPRR 484: Revision to Congestion Revenue Rights Credit Calculations and Payments**
  - Revises CRR collateralization to address path-specific risk
  - CWG has endorsed for review by PRS
  - PRS awaiting additional impact analysis for January 17, 2013 meeting
    - Three phase implementation proposed by ERCOT
- **NPRR 509: Shortened RTM Settlement Timeline**
  - CWG will review

## Key Outstanding Issues:

- **NPRR 510: Discretion in Operating Days in OUT Calculation, Clarification of Source of ACP and Clarification of the Definition of Financial Statements**
  - Posted on December 20, 2012
  - CWG will review
- **Future credit design**
  - A working group created by WMS (which includes CWG and MCWG members) to consider initiatives for future credit design:
    - Shortening the settlement timeline
    - Creating a probabilistic credit model
  - No new development in the group's activity
  - CWG will report developments to F&A regularly