



Item 4: Periodic Report on Credit Work Group Activity

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Chair, Credit Work Group

Finance & Audit Committee
ERCOT Public
July 15, 2013

- **Next meeting scheduled for July 31, 2013**

Key Outstanding Issues:

- **Annual Review of Day Ahead Market (DAM) Collateral Parameters Process and CRR Auction Parameters**
 - CWG has reviewed and approved the DAM collateral parameters with no changes.

Key Outstanding Issues:

- **NPRR Appropriate Person**
 - NPRR being drafted related to the additional counter-party criteria imposed by CFTC.
 - The additional criteria involve the qualification of Market Participants as “Appropriate Persons”, Eligible Contract Participants, or meeting other requirements.
 - Urgent status for this NPRR will be requested in order to be in effect by September 30, 2013.

Key Outstanding Issues:

- **Seasonal Adjustment Factor (SAF)**
 - Purpose is to adjust credit exposure for seasonal risk
 - Previous SAF was eliminated with NPRR347 implementation
- **Market Credit Working Group (MCWG) Vice-Chair**
 - Josephine Wan voted as MCWG Vice-Chair

Questions