



Item 5: Letter of Credit Issuer Limits

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ERCOT Public

Letter of Credit Issuer Limits

Protocol Section 16.11.2, Requirements for Setting a Counter-Party's Unsecured Credit Limit, incorporates letter of credit (LC) issuer limits determined by the long-term issuer rating and the Tangible Net Worth of the Issuer.

Protocol Section 16.11.2 requires ERCOT Board approval (upon TAC recommendation) when limits are being revised.

The F&A Committee has requested a semi-annual review of the letter of credit issuer concentration.

Letter of Credit Issuer Limits

LC issuer limits are determined as follows:

Issuer Rating ⁽¹⁾		Maximum Letter of Credit Issuer Limit as a % of Tangible Net Worth
Moody's	Fitch/S&P	
Aaa	AAA	1.00%
Aa1	AA+	.95%
Aa2	AA	.90%
Aa3	AA-	.85%
A1	A+	.80%
A2	A	.75%
A3	A-	.70%

⁽¹⁾ Determined in accordance with ERCOT Creditworthiness Standards, based on most recent audited financial statements.

In addition, each issuer is subject to an overall limit of \$750 million.

Letter of Credit Issuer Limits

ERCOT computed the issuer limits and reviewed outstanding LCs for 2015.

Summary Statistics

- Number of issuers: 23
- Minimum computed limit: \$16.5 million
- Issuers with limit at \$750 million cap: 3
- Minimum current excess capacity: \$16.3 million
- Maximum excess capacity: \$744.5 million
- LC issuances in violation of limits: 0
- New maximums set 2015: 5

Letter of Credit Issuer Limits

Detailed statistics

Letter of Credit Concentration Limits (\$ millions)							
LC Issuer	Computed Issuer Limit	Current LCs Outstanding	Current Excess Capacity	% Current Excess / Limit	Maximum LCs Issued	Date of Maximum 2015 Issuance	Limit o/(u) Maximum Issuance
BNP Paribas(GA)	\$734.5	\$87.2	\$647.4	88%	\$87.2	1/1/2015	\$647.4
BOKF NA(FI)	\$16.5	\$0.2	\$16.3	99%	\$0.2	1/1/2015	\$16.3
Bank of America NA(GA)	\$750.0	\$5.5	\$744.6	99%	\$5.5	1/1/2015	\$744.6
Bank of Nova Scotia(FI)	\$279.0	\$18.4	\$260.6	93%	\$18.4	1/1/2015	\$260.6
Bank of Tokyo-Mitsubishi UFJ, Ltd. New York Branch(FI)	\$708.9	\$12.8	\$696.1	98%	\$12.8	3/13/2015	\$696.1
Barclays Bank PLC(FI)	\$659.3	\$153.0	\$506.3	77%	\$153.0	1/1/2015	\$506.3
Canadian Imperial Bank(FI)	\$123.2	\$16.2	\$107.0	87%	\$16.2	1/1/2015	\$107.0
Citibank NA(FI)	\$750.0	\$85.8	\$664.3	89%	\$85.8	1/1/2015	\$664.3
Comerica Bank(FI)	\$49.8	\$1.5	\$48.2	97%	\$1.5	1/1/2015	\$48.2
DNB Bank ASA(FI)	\$140.7	\$50.0	\$90.7	64%	\$50.0	9/9/2015	\$90.7
Deutsche Bank(FI)	\$618.1	\$32.9	\$585.2	95%	\$32.9	1/1/2015	\$585.2
KeyBank National Association(FI)	\$65.8	\$11.0	\$54.8	83%	\$11.0	1/1/2015	\$54.8
Lloyds Bank PLC (FI)	\$560.1	\$65.3	\$494.8	88%	\$65.3	2/17/2015	\$494.8
Mizuho Corporate Bank Ltd.(FI)	\$453.2	\$19.5	\$433.7	96%	\$19.5	1/1/2015	\$433.7
Natixis(FI)	\$139.0	\$54.5	\$84.5	61%	\$54.5	5/15/2015	\$84.5
PNC Bank NA(FI)	\$209.6	\$41.0	\$168.6	80%	\$41.0	1/1/2015	\$168.6
Societe Generale(FI)	\$442.8	\$1.2	\$441.6	100%	\$1.2	1/1/2015	\$441.6
Standard Chartered(FI)	\$329.9	\$0.0	\$329.9	100%	\$0.0	7/20/2015	\$329.9
Sumitomo Mitsui Banking Corporation (FI)	\$520.1	\$10.0	\$510.1	98%	\$10.0	5/22/2015	\$510.1
Toronto-Dominion Bank, The (FI)	\$279.6	\$30.0	\$249.6	89%	\$30.0	1/1/2015	\$249.6
US Bank(FI)	\$247.2	\$31.5	\$215.7	87%	\$46.5	1/1/2015	\$200.7
Union Bank of California NA(FI)	\$90.4	\$0.0	\$90.4	100%	\$0.0	1/1/2015	\$90.4
Wells Fargo(FI)	\$750.0	\$36.3	\$713.7	95%	\$36.3	1/1/2015	\$713.7
	\$8,917.6	\$763.7	\$8,154.0	91%			

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Questions