**Credit Working Group**

**ERCOT**

**Meeting Minutes**

**April 20, 2018 (Face-to-Face Meeting, MET Center Room 168)**

**Attendance**

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| Independent Retail Electric Providers | Loretto Martin - Direct Energy  Bill Barnes - Reliant Energy | | |
| Independent Power Marketers | Mark Holler - Tenaska Power Inc. | | |
| Independent Generators | Ian Haley– Luminant Energy | | |
| Investor Owned Utilities | Deborah McKeever | | |
| Municipals | Donald Meek – Austin Energy  Michael Mathews - Bryan Texas Utilities | | |
| Cooperatives | Richard Ramirez - Lower Colorado River Authority | | |
| Others | Bob Wittmeyer  Clayton Greer  Liz Kayser  Robert Miller  Josephine Wan  Ryan Evans |  | Shams Siddiqi  Kristin Abbott  Shreenath Patel  Brenden Sager  Ryan Michel |
| ERCOT Staff | Mark Ruane  Vanessa Spells  Rizaldy Zapanta  Spoorthy Papudesi  Kelly Landry | | Carrie Bivens  Suzy Clifton  Vicki Scott  Cory Phillips |

The meeting was called to order at 1:00 p.m.

**Approval of Meeting Minutes – March 21, 2018**

Bill Barnes submitted a motion to approve the March 21, 2018 minutes. Donald Meek seconded the motion. Motion passed.

**Review of NPRRs**

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| --- | --- |
| NPRR 851 | Procedure for Managing Disconnections for Bidirectional Electrical Connections at Transmission Level Voltages |
| NPRR 867 | Revisions to CRR Auction Credit Lock Amount to Reduce Excess Collateral |
| NPRR 870 | Eliminate Requirement for Forward Adjustment Factors Report in the MIS Certified Area |

Ian Haley submitted a motion that NPRR 851 does not have any credit implications. Mr. Meek seconded the motion. Motion passed.

Mr. Haley submitted a motion to endorse NPRR 870 including the comments during the PRS meeting. Mr. Meek seconded the motion. Motion passed.

**NPRR 850 Market Suspension and Restart**

Vanessa Spells presented for the group’s review an option for calculating available credit limits based on posted collateral following a black start event. Mr. Meek also presented to the group the possible scenarios surrounding a black start event. The group reviewed the presentations and provided comments including handling of collateral requests during the transition from prior to and post-black start events. Mark Ruane said ERCOT staff will draft proposed language to handle collateral requests during the transition from pre- to post-market restart.

**CRR Calculator Concept**

Ms. Spells informed the group that currently the pre-auction screening amount that is proposed to be used in lieu of the CRR locked credit will only be available on the day after the lock date. This would need to be clarified in the proposed language. ERCOT staff will propose a change to the language to clarify this.

Ian Haley submitted a motion to submit the following comment. Mr. Meek approved the motion. Motion passed.

The CWG unanimously voted to note that NPRR867 has positive credit implications by reducing excess collateral requirements for CRR Auctions. The CWG further notes that NPRR867 should be implemented concurrently with NPRR484 (1B). The Consumer Market Segment was not present for the vote.

**Mechanism for Sale of a REP’s Portfolio**

Mr. Barnes presented to the group a proposed mechanism for the sale of a Retail Electric Provider’s (REP) portfolio. Group members reviewed and commented on the proposal. The group initially agreed that it would be a good idea to present market participants a flag to voluntary opt to provide their respective Mergers & Acquisitions contact/s to facilitate the potential acquisition of their portfolio.

**Credit Updates**

Spoorthy Papudesi presented to the group an update of credit exposure statistics. She informed the group that a monthly update will be provided in the next six months instead of a bi-monthly update in order to closely monitor the impact of NPRR 800 on credit exposure.

Ms. Spells presented to the group the updated letter of credit concentration report for the group’s review. She informed the group that ERCOT staff circulated a market notice reminding market participants to review the published Letter of Credit Concentration Limits Report as guidance when submitting letters of credit.

**Summer Season Credit Update to ERCOT Board**

Mr. Meek asked the group for any inputs to a list of topics that can be incorporated into a presentation on credit issues that was requested by the ERCOT Board for the June meeting.

**New Business**

Mr. Ruane informed the group that there will be a mass transition drill to test the mass transition processes next month in preparation for the summer. Lessons learned from the mass transition drill will be taken up in the next meeting.

The meeting was adjourned at 3:45 p.m.