**Credit Working Group**

**ERCOT**

**Meeting Minutes**

**September 19, 2018 (Face-to-Face Meeting, MET Center Room 206B)**

**Attendance**

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| Independent Retail Electric Providers | Loretto Martin – Direct Energy | | |
| Independent Power Marketers | Mark Holler - Tenaska Power Inc. | | |
| Independent Generators | Ian Haley– Luminant Energy | | |
| Municipals | Michael Mathews - Bryan Texas Utilities  Don Daugherty - City of Garland | | |
| Others | Andrew Barkley  Seth Cochran  Kristin Abbott  Robert Miller  Ryan Evans  Josephine Wan  Matt Robson  Kristy Ashley  Clayton Greer |  | Blake Gross  Bob Wittmeyer  Diana Coleman  Sandra Morris  Dan Dao  Anne Du  Brenden Sager  Ivan Velasquez |
| ERCOT Staff | Mark Ruane  Vanessa Spells  Spoorthy Papudesi  Rizaldy Zapanta  Maruthi Gaddam  Julio Dovalina | | Lindsay Butterfield  Pam Shaw  Carrie Bivens  Cory Phillips  Suzy Clifton |

The meeting was called to order at 9:30 a.m.

**Approval of Meeting Minutes – August 15, 2018**

Loretto Martin submitted a motion to approve the August 15, 2018 minutes. Bill Barnes seconded the motion. Motion passed.

**NPRRs**

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| NPRR 890 | Correction to Calculation of Real-Time LMPs at Logical Resource Node for On-Line Combined Cycle Generation Resources |
| NPRR 869 | Clarification of Language Related to Generation Netting for ERCOT-Polled Settlement Meters |
| NPRR 880 | Publish Real-Time Market Shift Factors for Private Use Network Settlement Points |
| NPRR 883 | Adjustment to Settlement Equation for Ancillary Services Assignment |
| NPRR 888 | 4-Coincident Peak Adjustment Methodology |
| NPRR 879 | SCED Base Point and Performance Evaluation Changes for IRRs that Carry Ancillary Services |
| NPRR 881 | Annual Validation Process Revisions |
| NPRR 887 | Monthly Posting of Default Uplift Exposure Information |
| NPRR 894 | Correction of Unaccounted For Energy (UFE) Formula |
| NPRR 895 | Inclusion of Photo-Voltaic Generation Resources (PVGRs) in Real-Time Ancillary Service Imbalance Payment or Charge |

Ms. Martin submitted a motion that NPRRs 869, 880, 888, 879, 881, 887 and 894 have no credit implications and that NPRRs 883, 890, and 895 improve the accuracy of settlements and therefore have positive credit implications. Mr. Barnes seconded the motion. Motion approved.

**M1a Calculation**

Mark Ruane presented to the group the proposed language redefining the M1a calculation to reflect actual bank business days. The proposed change is expected to reduce total M1 days of up to a maximum of 4 days. The group reviewed the proposed language and agreed to proceed with the filing of the NPRR.

**Credit Exposure Parameters**

The group reviewed credit exposure parameters and proposed only changing M1a. The group also discussed and reviewed the possibility of making seasonal adjustments to the forward week weightings. Mr. Barnes asked the group to submit any proposals in the next meeting.

**Credit Exposure Update**

Spoorthy Papudesi presented the monthly update on credit exposure.

**Green Hat Default at PJM**

Vanessa Spells presented to the group a summary of the PJM Green Hat Default events and the differences between PJM’s and ERCOT’s credit requirements for congestion instruments. The group discussed the differences and noted that one of the major differences is that ERCOT uses the most recent auction clearing prices in marking exposure aside from historical prices thereby reducing any risks posed by a transmission upgrade. The group also asked ERCOT staff to present the material to the Board.

**New Business**

Ian Haley asked ERCOT staff if invoices below $1.00 can be rolled off to future days to eliminate or minimize wiring costs particularly for payments of invoices with minimal amounts. Mr. Ruane said that ERCOT staff will review the request but explained that rolling off invoices beyond the due date will cause short payments in the market.

The meeting was adjourned at 10:58 a.m.