**Credit Working Group**

**ERCOT**

**Meeting Minutes**

**December 12, 2018 (Face-to-Face Meeting, MET Center Room 168)**

**Attendance**

|  |  |  |  |
| --- | --- | --- | --- |
| Independent Retail Electric Providers | Loretto Martin – Direct Energy  Bill Barnes – Reliant Energy | | |
| Municipals | Donald Meek – Austin Energy  Michael Mathews - Bryan Texas Utilities  Don Daugherty - City of Garland | | |
| Cooperatives | Andrew Barkley - Lower Colorado River Authority | | |
| Others | Seth Cochran  Kristin Abbott  Robert Miller  Ryan Evans  Josephine Wan  Matt Robson |  | Brenden Sager  Bob Wittmeyer  Ryan Michel  Anh Du |
| ERCOT Staff | Mark Ruane  Vanessa Spells  Spoorthy Papudesi  Rizaldy Zapanta  Maruthi Gaddam  Julio Dovalina | | Cory Phillips  Carrie Bivens  Ino Gonzalez  Austin Rosel |

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

**Approval of Meeting Minutes – October 17, 2018**

Bill Barnes submitted a motion to approve the October 17, 2018 minutes. Andrew Barkley seconded the motion. Motion passed.

**NPRRs for Review**

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| --- | --- |
| NPRR 863 | Creation of Primary Frequency Response Service Product and Revisions to Responsive Reserve |
| NPRR 886 | Agreements Between ERCOT and Other ISOs, RCs, and/or RTOs |
| NPRR 905 | CRR Balancing Account Resettlement |
| NPRR 906 | Clarifying the Decision Making Entity Process |

Donald Meek submitted a motion that the above NPRRs have no credit implications. Bill Barnes seconded the motion. Motion passed.

On NPRR 907, Revise Definition of M1a to Reflect Actual Calendar Days, the group reviewed a motion submitted by Mr. Barnes that the NPRR has positive credit implications by more accurately computing credit exposure with respect to actual ERCOT Business Days. Mr. Barnes seconded the motion. Motion passed.

On NPRR 850, Market Suspension and Restart, Mr. Barkley submitted a motion that the group has reviewed the language for NPRR 850 as approved by PRS and has determined that the NPRR has positive credit implications by reducing uncertainty in settlements and credit in the event of a Market Suspension. Mr. Barnes seconded the motion. Motion passed.

**Credit Goals**

The group reviewed the 2018 Credit Working Group goals and agreed to remove the following from the goals as they are no longer applicable: 1) NPRR 850, 2) Credit Insurance and 3) Development of a CRR calculator. Mr. Meek asked ERCOT staff to circulate the revised list to the group for comments and suggestions.

**Market Re-Entry Qualifications**

Mr. Ruane informed the group that the F&A discussed re-entry qualifications and asked the group if they wanted to explore this topic. The group asked ERCOT staff to look into the possibility of adopting PUCT’s re-entry qualification requirements for power marketers.

**Nomination for 2019 CWG/MCWG Officers**

Vanessa Spells will send out an email to the group to ask for nominations for CWG/MCWG officers.

**Credit Exposure Update**

Spoorthy Papudesi presented the monthly update on credit exposure. The group suggested looking into how the independent capitalization requirements affect the collateral usage profile. The group also suggested describing the collateral in excess of exposure as Discretionary Collateral as well as using alternative terminology in order to clearly present the charts.

The meeting was adjourned at 10:52 a.m.