**Credit Working Group**

**ERCOT**

**Meeting Minutes**

**January 23, 2019 (Face-to-Face Meeting, MET Center Room 168)**

**Attendance**

|  |  |  |  |
| --- | --- | --- | --- |
| Independent Power Marketers | Mark Holler - Tenaska Power Inc. | | |
| Independent Generators | Ian Haley - Luminant Generation | | |
| Municipals | Donald Meek – Austin Energy  Michael Mathews - Bryan Texas Utilities  Don Daugherty - City of Garland | | |
| Cooperatives | Andrew Barkley - Lower Colorado River Authority | | |
| Others | Clayton Greer  Seth Cochran  Josephine Wan  Matt Robson  Jennifer Rochelle  Shams Siddiqi |  | Brenden Sager  Bob Wittmeyer  Ryan Michel  Jim Lee  Blake Gross |
| ERCOT Staff | Mark Ruane  Vanessa Spells  Spoorthy Papudesi  Rizaldy Zapanta  Maruthi Gaddam | | Julio Dovalina  Cory Phillips  Kevin Hanson  Brittney Albracht |

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

**Approval of Meeting Minutes – December 12, 2018**

Donald Meek submitted a motion to approve the December 12, 2018 minutes. Andrew Barkley seconded the motion. Motion passed.

**2019 CWG/MCWG Officers**

Vanessa Spells thanked the group and the officers for their work in 2018 and informed the group that the following were re-elected as officers for 2019:

Donald Meek CWG Chair

Loretto Martin CWG Vice Chair

Bill Barnes MCWG Chair

Josephine Wan MCWG Vice Chair

**NPRRs for Review**

|  |  |
| --- | --- |
| NPRR 909 | Address Unavailability Gap for ERS and Other Minor Clarifications |
| NPRR 910 | Clarify Treatment of RUC Resource that has a Day-Ahead Market Three-Part Supply Award |
| NPRR 911 | Improved Calculation of Real-Time LMPs at Logical Resource Nodes for On-Line Combined Cycle Generation Resources |
| NPRR 914 | Addition of Controllable Load Resources to 60-Day Reports |
| NPRR 915 | Define Limited Duration Resource and Clarify Telemetered Resource Status Requirements |
| NPRR 916 | Mitigated Offer Floor Revisions |

Mr. Meek submitted a motion that the above NPRRs have no credit implications. Ian Haley seconded the motion. Motion passed.

**CWG Charter**

The group reviewed the current CWG Charter. Mr. Meek submitted a motion to endorse the CWG Charter in its current form. Mr. Haley seconded the motion. Motion passed.

**Credit Goals**

Mr. Meek submitted a motion to endorse the following 2019 goals and present such to the F&A Committee. Mr. Barkley seconded the motion. Motion passed.

* Review the ongoing impact on market participant credit exposure and collateral requirements resulting from the incorporation of a forward price curve-based methodology (NPRR 800)
* Clarify the market’s risk tolerance/appetite level and provide regular updates on credit exposure to the ERCOT Board
* Evaluate and quantify potential market risk under current credit rules and examine a framework for reviewing rules in flight
* Effectively communicate credit risk to the market
* Examine current protocol language to determine how effective current calculations capture actual credit risk.

**Market Entry Qualifications**

Mark Ruane presented to the group the initial results of inquires made with other ISOs/RTOs regarding the extent of their background checks on new market participants. The group asked ERCOT staff to gather more information on the market entry qualification processes of other ISOs/RTOs as well as the possible level of involvement of regulatory agencies.

**Credit Exposure Update**

Spoorthy Papudesi presented the monthly update on credit exposure. The group suggested the following enhancements: 1) to exclude unsecured credit and guarantees in the presentation of discretionary collateral; 2) to size and segregate discretionary collateral in terms of dollar amounts.

The meeting was adjourned at 10:43 a.m.