**Credit Working Group**

**ERCOT**

**Meeting Minutes**

**February 20, 2019 (Face-to-Face Meeting, MET Center Room 206A)**

**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 Generation | | |
| Municipals | Donald Meek – Austin Energy  Don Daugherty - City of Garland | | |
| Cooperatives | Andrew Barkley - Lower Colorado River Authority | | |
| Others | Clayton Greer  Seth Cochran  Kristy Ashley  Ryan Evans  Ivan Velasquez  Kim Rainwater |  | Brenden Sager  Bob Wittmeyer  Sandra Morris  Malcolm Ainspan  Matt Robson |
| ERCOT Staff | Mark Ruane  Vanessa Spells  Spoorthy Papudesi  Rizaldy Zapanta  Maruthi Gaddam  Julio Dovalina  Cory Phillips | | Julianna Morehead  Gibson Hull  Carrie Bivens  Sean Taylor  Donald House  Erika Kane |

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

**Approval of Meeting Minutes – Jan 23, 2019**

Bill Barnes submitted a motion to approve the January 23, 2019 minutes. Donald Meek seconded the motion. Motion passed.

**NPRRs for Review**

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| NPRR 891 | Removal of NOIE Capacity Reporting Threshold for the Unregistered Distributed Generation Report |
| NPRR 900 | Protocol Section 14 Language Review |
| NPRR 908 | Revisions to Mass Transition Processes |
| NPRR 912 | Settlement of Switchable Generation Resources (SWGRs) Instructed to Switch to ERCOT |
| NPRR 920 | Change to Ramp Rate Calculation in Resource Limit Calculator |
| NPRR 921 | RTF-2 Elimination of the Terms All-Inclusive Generation Resource and All-Inclusive Resource |
| NPRR 922 | Modifications to DC Tie Import Forecast Method |

Mr. Meek submitted a motion that the NPRRs 891, 900,912,920, 921 and 922 have no credit implications. Mr. Barnes seconded the motion. Motion passed.

On NPRR 908, Mr. Meek submitted a motion to file the comments below. Mr. Barnes seconded the motion. Motion passed.

“ERCOT Credit Staff and the Credit Work Group (Credit WG) have reviewed NPRR908 and determined the changes proposed in NPRR908 and the accompanying Retail Market Guide Revision Request (RMGRR) 159, Related to NPRR908, Revisions to Mass Transition Processes, increase transparency and notice to the market, and therefore have positive credit implications.”

**Green Hat Default Update**

Mark Ruane updated the group on recent developments on the Green Hat default He reported that the estimated uplift may increase significantly in consequence of a FERC ruling on the issue, and that PJM is currently undertaking steps to better screen new market applicants.

The group suggested that ERCOT review information gathered from other ISOs and regulatory bodies in making a determination whether a potential market applicant is qualified. The group also suggested broadening the language in the protocols preventing defaulting entities that left the ERCOT market or other markets owing monies to include preventing the principals themselves from re-entering the market.

ERCOT staff will review Section 16 and the Standard Form Agreement and revert back with the group on possible options to strengthen the market entry qualification process.

**CRR Portfolio Liquidation**

The group reviewed the process of repossessing a CRR portfolio resulting from an instance of default. The group asked ERCOT staff to calculate the monetary value of existing CRR portfolios based on the most recent auction clearing prices to determine the potential magnitude of a default as well as any other relevant information.

**Summer 2019 Credit Planning**

Mr. Barnes reminded the group that an unannounced Mass Transition drill will be conducted in the second quarter. He also suggested conducting a credit training/refresher course in April to brief market participants on the credit calculations and any changes.

Mr. Meek asked ERCOT staff to review and update the acquisition transfer list. Mr. Ruane said that ERCOT staff will circulate a Market Notice to ask market participants to review and update their contacts.

**ERCOT Updates**

Spoorthy Papudesi presented the monthly update on credit exposure. The group asked ERCOT staff to include unsecured credit limits and guarantees in the discretionary collateral chart.

Vanessa Spells provided an update of the CMM Tech Refresh project. The target release date of Phase 1b which includes NPRRs 512, 620, 660, 741 and 755 will be in June. ERCOT staff will conduct training sessions prior to the release.

The meeting was adjourned at 11:30 a.m.