**Credit Working Group**

**ERCOT**

**Meeting Minutes**

**April 18, 2019 (Face-to-Face Meeting, MET Center Room 206B)**

**Attendance**

|  |  |  |  |
| --- | --- | --- | --- |
| Independent Retail Electric Providers | Bill Barnes - Reliant Energy | | |
| Independent Power Marketers | Mark Holler - Tenaska Power Inc.  Eric Goff – Citigroup Energy 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  Kristin Abbott  Ryan Evans  Marka Shaw  Ryan Michel  Kim Rainwater  Bob Wittmeyer  Jennifer Rochelle |  | Josephine Wan  Malcolm Ainspan  Chad singer  Robert Miller  Darice Ridge  Melissa Trevino  Anh Du  Matt Robson |
| ERCOT Staff | Mark Ruane  Vanessa Spells  Spoorthy Papudesi  Rizaldy Zapanta  Julio Dovalina  Cory Phillips  Juliana Morehead | | Gibson Hull  Amy Loera  Carrie Bivens  Pamela Shaw  Donald House  Samantha Findley |

The meeting was called to order at 9:34 a.m.

**Approval of Meeting Minutes – March 28, 2019**

Bill Barnes submitted a motion to approve the March 28, 2019 minutes. Donald Meek seconded the motion. Motion passed.

**NPRRs for Review**

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| --- | --- |
| NPRR 917 | Nodal Pricing for Settlement Only Distribution Generators (SODGs) and Settlement Only Transmission Generators (SOTGs) |
| NPRR 926 | Removal of 90-Day Period Between SSR Study Approval and Synchronization |
| NPRR 929 | PTP Obligations with Links to an Option DAM Award Eligibility |

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

**CRR Portfolio Liquidation**

Clatyon Greer presented to the group various options on the disposal of CRR portfolios of defaulting entities. The group reviewed the options and will work with ERCOT staff on developing a framework. The group also agreed to present and discuss the options with CMWG.

Carrie Bivens presented to the group the CRR portfolio values per Counter-Party of CRR obligations based on most recent auction clearing prices. The group also asked Ms. Bivens to look into the CRR portfolio values based on tenor.

**Market Entry Qualifications**

ERCOT Legal staff confirmed that on-going discussions on market entry qualifications in CWG are in compliance with anti-trust laws.

Eric Goff commented that discussions that may involve potential barriers to entry may lead to perceptions of conflict of interest. Juliana Morehead replied that ERCOT has authority to engage in discussions regarding market entry qualifications and if there were any potential conflicts with PUC rules, ERCOT will inform PUC staff about the discussions.

Mark Ruane also told the group that ERCOT staff will also look into how other financial markets conduct their respective market entry qualifications process.

**ERCOT Updates**

Spoorthy Papudesi presented the monthly update on credit exposure.

Eric Goff asked to review FCE exposure in the next meeting in order to evaluate the default risk for CRR obligations.

Vanessa Spells informed the group that ERCOT staff can provide the new reports to interested Counter-Parties. She told the group that the tentative implementation date is June 15 but ERCOT staff will also look into the possibility of implementing it during the first week of June.

**New Business**

Mr. Meek reported that the F&A Committee requested for a presentation on the report and findings on the Green Hat default. The group will discuss in the next meeting.

Mr. Ruane said that ERCOT kicked off the mass transition drill successfully and just noted a few issues resulting from running the process on the testing environment.

The meeting was adjourned at 11:10 a.m.