**Credit Working Group**

**ERCOT**

**Meeting Minutes**

**October 17, 2019 (Face-to-Face Meeting, MET Center Room 206B)**

**Attendance**

|  |  |  |  |
| --- | --- | --- | --- |
| Independent Retail Electric Providers | Bill Barnes - Reliant Energy  Loretto Martin – Direct Energy | | |
| Independent Power Marketers | Mark Holler - Tenaska Power Inc. | | |
| Independent Generators | Ian Haley - Luminant Generation | | |
| Municipals | Donald Meek – Austin Energy | | |
| Cooperatives | Andrew Barkley - Lower Colorado River Authority | | |
| Others | Seth Cochran  Ryan Evans  Josephine Wan |  | Bryan Sams  Kristy Ashley |
| ERCOT Staff | Mark Ruane  Spoorthy Papudesi  Rizaldy Zapanta | | Julio Dovalina  Cory Phillips  Donald House |

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

**Approval of Meeting Minutes – September 18, 2019**

Donald Meek submitted a motion to approve the September 18, 2019 minutes. Bill Barnes seconded the motion. Motion passed.

**NPRRs for Review**

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| --- | --- |
| NPRR 928 | Cybersecurity Incident Notification |
| NPRR 972 | Enhancing Existing CRR Transaction Limit Process |

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

**RFAF Forward Days Adjustment**

The group reviewed the proposal and supported going forward with the proposed changes.

**CRR Portfolio Liquidation**

Donald House presented to the group Proposed protocol changes regarding CRR portfolio liquidation. The group reviewed the proposal and provided their suggestions. On the matter of providing ERCOT discretion to reject distorted results, the group agreed that this should be taken up by CMWG instead.

**2019 CWG/MCWG Goals**

Mr. Meek presented to the group the 2019 CWG/MCWG goals approved by the F&A Committee for reference. He asked members to provide any suggestions for 2020 goals.

The group asked ERCOT staff if they can provide an illustrative example of how key exposure parameters would impact the collateral requirements of a market participant that has exposure in the market.

**Remedies for Late Payments**

The group reviewed the remedies for late payments and suggested tightening up the Level 1 enforcement by requiring the posting of cash or letter of credit to cover a portion of the TPE at 110%.

**ERCOT Updates**

Spoorthy Papudesi presented the monthly update on credit exposure and the credit management daily timeline.

**LC Concentration Limits**

Mark Ruane presented to the group an update on the letter of credit concentration limits as part of the semi-annual review required by the F&A Committee.

**New Business**

Mr. Meek presented to the group the proposed 2020 meeting schedule for the group’s review.

Mr. Barnes invited the group to attend the RTC task force meeting on October 30 wherein credit-related issues will be taken up.

Seth Cochran informed the group that he intends to present in the next meeting a proposal for the time diversification of credit requirements for CRRs which includes seeking CRR options and obligations parity in the treatment of portfolio weighted adders.

The meeting was adjourned at 11:48 a.m.