**Credit Working Group**

**ERCOT**

**Meeting Minutes**

**February 19, 2020 (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 | Don Daugherty - City of Garland  Michael Mathews - Bryan Texas Utilities | | |
| Cooperatives | Richard Ramirez - Lower Colorado River Authority | | |
| Others | Seth Cochran  Clayton Greer  Josephine Wan  Bob Wittmeyer  Brenden Sager  Sandy Morris  Matt Robson  Chris Jackson  Kristi Ashley  Robert Duke |  | Evan Truitt  James DiSciullo  Paige Winegar  Darice Ridge  Julie Alleyne  Ryan Evans  Evan Truitt  Missy Quent  Lori Williams |
| ERCOT Staff | Mark Ruane  Vanessa Spells  Spoorthy Papudesi  Rizaldy Zapanta  Julio Dovalina  Maruthi Gaddam  Cory Phillips  Juliana Morehead  Erika Kane | | Carrie Bivens  Pamela Shaw  Donald House  Joanthan Levine  Gibson Hull  Randy Roberts  Ohlen Dinopol  Phillip Bracy |

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

**Approval of Meeting Minutes – January 15, 2020**

Bill Barnes submitted a motion to approve the January 15, 2020 minutes. Ian Haley seconded the motion. Motion passed.

**NPRRs for Review**

|  |  |
| --- | --- |
| NPRR 903 | Day-Ahead Market Timing Deviations |
| NPRR 973 | Add Definitions for Generator Step-Up and Main Power Transformer |
| NPRR 990 | Relocation of Combined Cycle Train to Resource Attribute |
| NPRR 953 | Addition of Relay Loadability Rating Definition |
| NPRR 975 | Load Forecast Model Transparency |
| NPRR 983 | Delete Remaining Grey-Boxed Language Associated with NPRR257, Synchronization with Nodal Operating Guide Section 9, Monitoring Programs and Changes to Posting Requirements of Documents Considered CEII |
| NPRR 992 | Updated Day-Ahead Liability for NPRR863, Creation of ERCOT Contingency Reserve Service and Revisions to Responsive Reserve |
| NPRR 993 | Grey Box Resolution re NPRR902 and NPRR928 |

Mr. Haley submitted a motion that NPRRs 903, 973, 990, 953, 975, 983 and 993 are operational and have no credit implications. Mr. Barnes seconded the motion. Motion passed.

Mr. Barnes submitted a motion that NPRR 992 more accurately reflects the estimated DA liability estimate impacts due to changes to ancillary services in NPRR 863 and therefore have positive credit implications. Loretto Martin seconded the motion. Motion passed.

**Review of 2020 Goals**

Mr. Barnes submitted a motion to approve the 2020 CWG goals which include reviewing the settlement timeline.

**Modifications to Settlement Timeline**

Mark Ruane informed the group that a one-day reduction in the Settlement timeline reduces TPE by around 5% using exposure numbers as of February 13, 2020. Mr. Barnes asked ERCOT staff for an estimate of the reduction in TPE using August 2019 numbers.

The group reviewed the Invoice payment and collateral breach and default timelines and suggested further reviewing these timelines particularly for collateral payments. Mr. Barnes suggested to the group to schedule a separate workshop with RMS to review the settlement timelines.

**Suspension/Termination Process for QSEs Representing a Resource Entity**

Jonathan Levine presented to the group the suspension/termination process for QSEs representing a Resource Entity and the potential issues that could arise if this was undertaken. ERCOT staff will develop an NPRR to clarify rules and eliminate ambiguities and conflicts. An additional NPRR will also be considered to add further detail and incorporate desired changes.

**Surety Bond Format**

Erica Kane informed the group that ERCOT staff has reviewed the proposed changes to the ERCOT Surety Bond standard form. She presented a summary of the deviations of the proposed form from the current form. The group noted the changes and agreed to further discuss the merits of the proposal.

**CRR FCE Improvements**

Seth Cochran presented to the group a proposal to improve FCE calculations with regard to the treatment of CRR options and impact of time diversification. The group noted the merits and issues regarding the proposal and agreed to further explore any improvements to the FCE calculations.

**ERCOT Updates**

Spoorthy Papudesi presented the monthly update on credit exposure. The group asked for a chart that compares the TPE to the invoice charges for the duration of the period covered by the TPE.

**New Business**

Mr. Ruane informed the group of the feedback garnered from other ISOs regarding third-party clearing of CRRs.

Mr. Ruane also informed the group about the Treasury workshop on February 28. He added that ERCOT Legal staff is working on potential revisions to market qualification and entry. A workshop will be conducted in April.

Vanessa Spells informed the group that a market notice will be sent out regarding the payment of interest on cash collateral on Feb. 21.

The group agreed to discuss the review of weighting on the Forward Adjustment Factors.

The meeting was adjourned at 12:37 p.m.