**Credit Working Group**

**ERCOT**

**Meeting Minutes**

**March 24, 2020 (Webex Meeting)**

**Attendance**

|  |  |
| --- | --- |
| Independent Retail Electric Providers | Bill Barnes - Reliant Energy |
| Independent Power Marketers | Mark Holler - Tenaska Power Inc. |
| Independent Generators  | Ian Haley - Luminant Generation |
| Municipals | Don Daugherty - City of Garland |
| Others | Andres SobrinoBob WittmeyerBob HeltonBrenden SagerBryan SamsDeborah McKeeverDarice RidgeJennifer Rochelle-BradburnKevin BunchMariah BensonMichele RichmondCheryl MeleCliff Crouch |  | Josephine WanRobert MillerRyan EvansRyan MichelSeth CochranShams SiddiqiSandy MorrisShawnee ClaibornTony MarshBrenda HarrisJim KrajeckiMatt Robson |
| ERCOT Staff | Mark RuaneVanessa SpellsSpoorthy PapudesiRizaldy ZapantaJulio DovalinaMaruthi GaddamCory PhillipsLeslie WileyMatt MerenessCarrie BivensIno GonzalezJuliana MoreheadPamela Shaw | Donald HouseGibson HullAustin RoselOhlen DinopolConnie HarrisKevin HansonAnn BorenRandy RobertsSamantha FindleyShalesh GanjooBrittney AlbrachtPhilip Bracy |

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

**Approval of Meeting Minutes – February 19, 2020**

Bill Barnes submitted a motion to approve the February 19, 2020 minutes. Mark Holler seconded the motion. Motion passed.

**Review Late Payments Enforcement Provisions**

Mark Ruane informed the group that the proposal to have an option to terminate the Standard Form Agreement (SFA) on the third instance of late payment in the last 12 months would conflict with the SFA which prescribes termination only after more than 3 late payments. Since any efforts to revise the SFA would take a significant amount of time, the group agree to revise the draft NPRR for the meantime to address this issue. Mr. Ruane will circulate the revised draft to the group. The group also agreed that it can revisit the enforcement level in the future should the SFA be eventually revised to reflect the proposed option.

**Review RFAF/DFAF Weight Factors**

Spoorthy Papudesi presented the impact of applying different combinations of weight factors for forward weeks on the RFAF and DFAF during the summer of 2018. The group reviewed the options and suggested further analysis on the impacts. The group will further review the proposed weighting factor combinations.

**Update from RTCTF**

Matt Merenes informed the group about the current efforts being conducted by the Real-Time Co-Optimization Task Force (RTCTF) and provided an update on its timelines. Vanessa Spells presented to the group the impact on credit exposure calculations of changes arising from the RTCTF project.

**ERCOT Updates**

Ms. Papudesi presented the monthly update on credit exposure.

**NPRR 867**

Donald House presented a draft NPRR that modifies the way that ERCOT handles the repossession of a Congestion Revenue Right (CRR) portfolio resulting for a Market Participant default. The draft NPRR also modifies the process for forfeiture of CRRs resulting non-payment or late payment of an invoice. The group reviewed and noted the changes proposed in the draft NPRR.

**Credit Impact of Recent Events of COVID-19**

The group discussed the potential credit impacts of recent events related to COVID-19. Mr. Barnes also proposed reviewing the default uplift timelines and changing the uplifted short-paid amounts charged on each set of Default Uplift Invoices. Mr. Barnes will circulate to the group a draft NPRR for the proposed changes. The group will further discuss in the next meeting.

**New Business**

Mr. Ruane informed the group that the Committee of Chief Risk Officers (CCRO) is working on developing a whitepaper on best credit risk practices which was an offshoot of the Green Hat default. The CRRO plans on holding meetings relating to this initiative. Mr. Ruane will forward the invitation to any member interested in attending the meetings.

Leslie Wiley informed the group that ERCOT will move forward with the consolidation of the Flexible Account with Cash Collateral on June 1, 2020. However, she noted that the feedback process on other issues discussed in the recent Treasury workshop will be extended to provide market participants more time.

The meeting was adjourned at 11:39 a.m.