**Credit Working Group**

**ERCOT**

**Meeting Minutes**

**August 19, 2020 (Webex Meeting)**

**Attendance**

|  |  |
| --- | --- |
| Independent Retail Electric Providers | Loretto Martin - Direct EnergyBill Barnes – Reliant Energy |
| Independent Power Marketers | Mark Holler - Tenaska Power Inc. |
| Independent Generators  | Ian Haley - Luminant Generation |
| Investor Owned Utilities | Deborah McKeever – Oncor |
| Municipals | Michael Mathews - Bryan Texas Utilities |
| Others | Bob WittmeyerBrenden SagerSeth CochranDarice RidgeKevin BunchMatt RobsonRyan Evans |  | Sandy MorrisJosephine WanMariah BensonKristy AshleyPatsy AndersonLucasn TurnerPatrick Kelly |
| ERCOT Staff | Mark RuaneVanessa SpellsSpoorthy PapudesiRizaldy ZapantaJulio DovalinaMaruthi GaddamCory Phillips | Gibson HullJuliana MoreheadOhlen DinopolPam Shaw |

The meeting was called to order at 1:32 p.m.

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

Bill Barnes submitted a motion to approve the July 15, 2020 minutes. Loretto Martin seconded the motion. Motion passed.

**NPRRs for Review**

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| --- | --- |
| NPRR 999 | DC Tie Ramp Limitations |
| NPRR 1025 | Remove Real-Time On-Line Reliability Deployment Price from Ancillary Service Imbalance Calculation |
| NPRR 1027 | Removal of Grey-Boxed Language Related to NPRR702, Flexible Accounts, Payment of Invoices, and Disposition of Interest on Cash Collateral  |
| NPRR 1031 | Notices for Curtailment of Load |
| NPRR 1033 | Clarification of Financial Security Interest Payment and Withholding Processes Upon Termination of Market Participant Standard Form Agreement |
| NPRR 1035 | DC Tie Schedules Protected Information Expiry and Posting |
| NPRR 1036 | Late Payment Enforcement Provisions |
| NPRR 1037 | Correction to the Settlement of Switchable Generation Resources (SWGRs) Instructed to Switch to ERCOT |

Ian Haley submitted a motion that NPRRs 999, 1025, 1027, 1031, 1033, 1035 and 1037 are operational and that the group provided the comments for NPRR 1036 below. Mr. Barnes seconded the motion. Motion passed.

On NPRR 1036, the changes proposed clarifies processes, better aligns language with the Standard Form Market Participant Agreement, and establishes a higher standard for missed payments and therefore has positive credit implications

**Real-Time Co-optimization NPRRs and Efforts**

Vanessa Spells updated the group about the current efforts of the Real-Time Co-Optimization Task Force. She also informed them of the impacts to credit exposure calculations of RTC and the NPRRs that would require the group’s review. Mr. Barnes advised the members of the group to be prepared to review the credit aspects of RTC.

**Modifications to Settlement Timeline**

Based on the comprehensive review of the settlements timeline performed by the group during previous meetings, it was determined that no changes needed at this time.

**Forward Adjustment Factors**

The group recommended reviewing exposure data for to the current summer during the October meeting. This will allow for more information particularly in light of the recent pricing events.

**Counter-Party Credit Risk Assessment**

Mark Ruane informed the group that ERCOT staff has completed its assessment of various scoring models including that of MISO and Moody’s Risk Calc. He noted the various scoring model issues that were encountered. ERCOT is currently drafting the NRPRs to address the Market Entry Qualifications and Credit Risk Assessment and Associated Enforcement Processes. He added there are certain topics that need to be addressed which include scoring model documentation, the weighting of quantitative and qualitative factors, material change disclosures and requirements for unsecured credit limits. Mr. Ruane proposed reviewing the requirements for unsecured credit limit as a separate process to which the group agreed.

**CRR Credit Lock Release Process**

Ms. Spells presented to the group the current credit lock release process and timeline versus the proposed timeline advancing the credit lock release by one day. The group asked ERCOT staff to present in the next meeting the overall credit timeline with respect to the posting of credit reports as well as the Available Credit Limit as it relates to the CRR credit lock release.

**ERCOT Updates**

Spoorthy Papudesi presented the monthly update on credit exposure.

The meeting was adjourned at 3:30 p.m.