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| NPRR Number | [1007](http://www.ercot.com/mktrules/issues/nprr1007) | NPRR Title | RTC – NP 3: Management Activities for the ERCOT System |
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| Date | November XX, 2020 |
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| Submitter’s Information |
| Name | Mark Holler on behalf of the Credit Work Group (Credit WG) |
| E-mail Address | Mholler@tnsk.com |
| Company | Tenaska Power Services |
| Phone Number | 817-303-1113 |
| Cell Number |  |
| Market Segment | Not applicable |

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| Comments |

CWG reviewed the collection of RTC NPRRs (1007-1013) and acknowledges there are changes to credit risk and credit calculations within the RTC protocols.  After CWG review, the group agrees the primary areas of change have been properly identified and addressed in the protocol changes.  The summary of changes are as follows:

* Section 4.4.10 Credit Requirement for DAM Bids and Offers (within NPRR1008) introduces a new Day-Ahead Market (DAM) product, Ancillary Service Only Offers.  Section 4.4.10 Credit Requirements has be appropriately updated to reflect the risk between DAM Market Clearing Price for Capacity (DAMCPC) and Real-Time Market Clearing Price for Capacity (RTMCPC) for this new transaction.
* Section 16.11.4 Determination and Monitoring of Counter-Party Credit Exposure (within NPRR1013) introduces credit modifications to multiple sections reflecting the new market transactions and credit risk.  The specific sections below have been updated below to reflect the credit changes as described:
	+ Section 16.11.4.1 Determination of Total Potential Exposure for a Counter-Party- Update the Minimum Current Exposure (MCE) component of Total Potential Exposure (TPE) calculation to include price risk between Day Ahead Market (DAM) Market Clearing Price for Capacity (MCPC) and Real-Time (RT) Market Clearing Price for Capacity (MCPC) for Virtual AS offers.
	+ Section 16.11.4.3.2 Real-Time Liability Estimate- Updated the Real Time Liability Completed and Not Settled (RTLCNS) component of Estimated Aggregate Liability (EAL) calculation to include Real-Time Co-Optimization (RTC) Ancillary Service (AS) activity.
	+ Section 16.11.4.3 Determination of Counter-Party Estimated Aggregate Liability- Changes in the Real-Time Liability carry over into the Aggregate Liability.

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| Revised Cover Page Language |

None

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| Revised Proposed Protocol Language |

None