**Credit Working Group**

**ERCOT**

**Meeting Minutes**

**July 21,2021 (Webex Meeting)**

**Attendance**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Independent Retail Electric Providers | Loretto Martin – NRG/Direct Energy | | | |
| Independent Power Marketers | Mark Holler - Tenaska Power Inc. | | | |
| Independent Generators | Ian Haley - Luminant Generation  James Spaulding - Exelon Generation Co | | | |
| Investor Owned Utilities | Deborah McKeever – Oncor | | | |
| Municipals | Josephine Wan - Austin Energy | | | |
| Cooperatives | Richard Ramirez - Lower Colorado River Authority | | | |
| Others | Bill Barnes  Bob Wittmeyer  Brenden Sager  Seth Cochran  Ryan Evans  Matt Robson  Kim Rainwater  Tom Burke  Clayton Greer  Barbara Clemenhagen  Darice Ridge  Resmi Surendran  Mariah Benson |  | Danielle Fazio  Jeff Lamp  Paul Tan  Andrew Boling  Allison Duensing  Katie Rich  Brenda Harris  Steve Reedy  Victor Dvortsov  Blake Gross  Sophie Graham  David Hastings  Evan Truitt  Gurpreet Neeraj | Constance McDaniel Wyman  Hannah Deichman  Heather Boisseau  James Striedel  Jason Woodford  Kolby Kettler  Rob Marsh  Robert Paxton  Shams Siddiqi  Tony Marsh  Vlad Aldea  Lori Simpson |
| ERCOT Staff | Mark Ruane  Vanessa Spells  Rizaldy Zapanta  Spoorthy Papudesi | | Julio Dovalina  Maruthi Gaddam  Cory Phillips  Erika Kane | Pamela Shaw  Keanen Ryan |

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

**Approval of Meeting Minutes – June 16, 2021**

Ian Haley submitted a motion to approve the June 16, 2021 minutes. Debbie McKeever seconded the motion. Motion passed.

**NPRRs for Review**

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| --- | --- |
| NPRR 1083 | Modification of Uplift Allocation Rules to Address Role of Central Counter-Party Clearinghouses |

Credit WG reviewed NPRR 1083 and determined that it would not require changes to the credit methodology. It will reduce the Counterparties that would be subject to the default uplift, and therefore could increase default uplift amounts and credit requirements for Counterparties not covered by the exemption. This NPRR is in compliance with SBs 3, 1580 and HB 4492.

Mark Holler submitted a motion to submit the comments above. Loretto Martin seconded the motion. The motion passed with one abstention from Ian Haley of Luminant.

Mark Ruane informed the group that while the NPRR only currently applies to a specific Counter-Party, further changes could be made in the future to apply more broadly to other Counter-Parties as appropriate.

**NPRR 1073 – Market Participant Application Changes**

The group discussed NPRR 1073 and provided the comments below.

CWG reviewed again NPRR 1073. CWG believes NPRR 1073 will provide positive credit impacts and is consistent with the ERCOT filing at the Public Utility Commission of Texas (PUCT) regarding implementation of default allocation rules. CWG supports the additional revisions within the 7/6/21 Luminant comments but notes the need for a subsequent NPRR to address the appeal process for entities deemed to be Principals under NPRR 1073.

Mr. Haley submitted a motion to submit the comments above. Ms. Martin seconded the motion. The motion passed with one abstention from Resmi Surendran of Shell.

**Default Uplift Methodology**

Seth Cochran presented to the group the comparative default uplift methodologies of various ISOs and suggested considering a gross dollar value approach instead of a volume-based approach.

The group agreed to discuss further in future meetings.

**ERCOT Updates**

Spoorthy Papudesi presented the monthly update on credit exposure.

Vanessa Spells informed the group that NRR867 *Revisions to CRR Auction Credit Lock Amount to Reduce Excess Collateral* will be implemented on September 10. A market notice will be circulated prior to implementation.

The meeting was adjourned at 11:00 a.m.