**Credit Working Group**

**ERCOT**

**Meeting Minutes**

**February 16, 2022 (Webex Meeting)**

**Attendance**

|  |  |
| --- | --- |
| Independent Retail Electric Providers | Loretto Martin – NRG/Direct Energy  |
| Independent Generators | Ian Haley - Luminant Generation |
| Investor Owned Utilities | Deborah McKeever – Oncor |
| Municipals | Josephine Wan - Austin EnergyDon Daugherty - City of GarlandMichael Mathews - Bryan Texas Utilities |
| Others | Bill BarnesBlake GrossBob WittmeyerBrenden SagerBrian KozBrooke CametBryan SamsCallie BoggsChristy BrowningClayton GreerClif LangeConstance McDaniel WymanCurtis CampoDanielle Fazio |  | David KeeDiana ColemanErica ContrerasEvan TruittJack BrownJake MannJeff LampJim LeeJimmy KuoJustice AwukuKatie RichKim RainwaterKristy AshleyMark DreyfusMatt Robson | Miguel SuazoPhilip DiPastenaPuneet AgrawalRead ComstockSeth CochranShams SiddiqiSmith DaySteve ReedyTaylor KilroyTerry NaultyTom burkeTony MarshTru RobertsonVictor Dvortsov |
| ERCOT Staff | Austin RoselCory PhillipsJulio DovalinaMark Ruane | Maruthi GaddamSpoorthy PapudesiRizaldy Zapanta |  |

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

**Approval of Meeting Minutes – January 19, 2022**

Brenden Sager submitted a motion to approve the January 19, 2022 minutes. Loretto Martin seconded the motion. Motion passed.

**NPRRs for Review**

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| --- | --- |
| NPRR 1096 | Require Sustained Two-Hour Capability for ECRS and Four-Hour Capability for Non-Spin |
| NPRR 1116 | Remove Obsolete Reference to Market Information System (MIS) |
| NPRR 1117 | Related to SMOGRR025, Modifications to Line Loss Compensation Requirement for EPS Metering |

Mr. Sager submitted a motion that the above NPRRs are operational and have no credit impact. Ms. Martin seconded the motion. Ian Haley abstained. Motion passed.

**NPRR 1112 – Elimination of Unsecured Credit Limits**

Philip DiPastena submitted a motion to endorse NPRR1112 as amended by the 2/2/22 Joint Commenters comments as revised by the Credit WG to change the proposed limit from $27.5M to $30M. Jimmy Kuo seconded the motion. Motion passed.

Mr. DiPastena submitted a motion to recommend PRS grant NPR1112 urgent status. Ms. Martin seconded the motion. Motion passed.

**NPRR 1088 Applying Forward Adjustment Factors to Forward Market Positions**

Shams Siddiqi presented to the group his proposal to change the EAL methodology for trade activity-only entities which include instituting a RTM suspension process when a collateral call occurs and change the M1 to 3 days. Mr. Siddiqi also proposed to consider DC Tie load as a trading activity such that Counter-Parties that have only DC ties receive a trade activity-only designation. The group will further discuss in the next meeting.

**Default Uplift Methodology**

Austin Rosel presented to the group the percentage changes based on the proposed default uplift methodology. Seth Cochran requested ERCOT staff to estimate the impact of the removal of CRR auction activity and multiplying CRRs owned by a scalar using different multipliers.

**Clarification NPRRs: Securitization Subchapter M and Subchapter N**

Mark Ruane presented to the group the draft NPRRs Clarifications to PURA Subchapter M Securitization Default Charges and Clarifications to PURA Subchapter N Securitization Uplift Charges. Both NPRRs address the need to continue holding escrow deposits for market participants terminating their SFA as well as sending invoice payments and escrow deposits to the correct account to be properly credited. The Subchapter N NPRR in particular eliminates a potential gap that a Load Serving Entity (LSE) is invoiced prior to being assessed an escrow deposit. Mr. Ruane said that the draft NPRRs are currently under internal review and proposed granting these urgency status to eliminate any gaps that a Counter-Party is not sufficiently collateralized prior to invoicing.

**ERCOT Updates**

Spoorthy Papudesi presented the monthly update on credit exposure.

**Other Business**

Mr. Ruane informed the group that ERCOT has received payment from Rayburn Country Electric Cooperative for its outstanding short-paid amounts. Distribution of funds to previously short-paid market participants will begin in the next few days. A market notice will be released later in the week regarding the details of the distribution.

Rizaldy Zapanta informed the group of a request to change the current April meeting scheduled on April 20. The date coincides with the Gulf Coast Power Association conference which a lot of the members are expected to attend. The alternative dates are April 15 and April 22. The group agreed to revise the meeting date to April 15.

The meeting was adjourned at 11:32 p.m.