**Credit Working Group**

**ERCOT**

**Meeting Minutes**

**June 15, 2022 (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 |
| Investor Owned Utilities | Deborah McKeever - Oncor |
| Municipals | Don Daugherty - City of GarlandJosephine Wan - Austin EnergyMichael Mathews - Bryan Texas Utilities |
| Cooperatives | Richard Ramirez - Lower Colorado River Authority |
| Others | Allison DuensingAndy NguyenBob WittmeyerBrenden SagerBrian KozClayton GreerConnor AndersonDanielle FazioDanny Berry |  | Darice RidgeEric LotterIvan VelasquezJay ViswanathanKatie RichKristy AshleyMariah BensonMatt RobsonRamsey Cripe | Read ComstockRyan EvansSeth CochranShams SiddiqiSophie GrahamSteve ReedyTru RobertsonWen Zhang |
| ERCOT Staff | Blake HoltCory PhillipsJulio Dovalina | Mark RuaneMaruthi GaddamMurali Katragadda | Spoorthy PapudesiRizaldy Zapanta |

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

**Approval of Meeting Minutes – May 18, 2022**

Brenden Sager submitted a motion to approve the May 18, 2022 minutes. Loretto Martin seconded the motion. Motion passed.

**NPRRs for Review**

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| --- | --- |
| NPRR 1058 | Resource Offer Modernization |
| NPRR 1085 | Ensuring Continuous Validity of Physical Responsive Capability (PRC) and Dispatch through Timely Changes to Resource Telemetry and Current Operating Plans (COPs) |
| NPRR 1133 | Clarify Responsibilities for Submission of Planning Model Data for DC Ties |
| NPRR 1134 | Related to RMGRR168, Modify ERCOT’s Mass Transition Responsibilities |
| NPRR 1135 | Add On-Line Status Check for Resources Telemetering OFFNS for Ancillary Service Imbalance Settlements |
| NPRR 1136 | Updates to Language Regarding a QSE Moving Ancillary Service Responsibility Between Resources |
| NPRR 1137 | Updates to Section 1.1 to Modify the OBD List Review Timeline and Other Clarifications |

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

**NPRR 1126 - Default Uplift Allocation Enhancement**

Seth Cochran presented to the group the draft of NPRR 1126 which proposes changes to the default uplift allocation process to better balance the burden of a default across all market activity and reduce the high concentration of default uplift risk to CRRs. Mr. Cochran informed the group that he intends to present this to WMS in July for the group’s feedback.

The group provided their comments and feedback. Ian Haley also expressed his concern whether there is any immediate need for changing the allocation given the pending resolution of the Brazos default uplift and the $2.5 million monthly uplift cap. The group also suggested including PTPs with links to an option in the allocation.

Mr. Cochran asked ERCOT staff’s position on the proposed changes. Austin Rosel replied that ERCOT staff has no position on the proposed changes.

**NPRR Credit Changes to Appropriately Reflect TAO Exposure**

Mr. Siddiqi presented to the group the draft of the NPRR that proposes allowing trade-only QSEs to request an M1 of two days by agreeing to certain conditions, including suspending Real-Time market activities upon ERCOT notice. The NPRR also proposes that credit exposure calculations be performed separately for QSEs that represent Load-Serving Entities, Resource Entities and trade-only QSEs before adding the QSE exposures at the Counter-Party level.

Mr. Siddiqi said that QSEs that do not comply with a suspension of Real-Time activity can be terminated. Mark Ruane commented that there needs to be a clear understanding of how this process will be carried out.

The group agreed to further discuss in the next meeting.

**ERCOT Updates**

Spoorthy Papudesi presented the monthly update on credit exposure.

The meeting was adjourned at 11:02 a.m.