

**MEMORANDUM**

**TO: AE ERCOT Market Policy Team**

**FROM:** Brenden Sager

**DATE:**  20 Sept 2023

1. Antitrust Admonition // Zaldy Zapanta

2. Approval of Minutes (Vote) // Brenden Sager

3. New NPRR: New Invoice Report // Austin Rosel

ERCOT will continue to discuss but does not support

Duplicative effort that also presents this information

More details to come

4. NPRR1112 Implementation: Changes to Reports // Sanchir Dashnyam

Sent a couple market notices on ACL report changes

Discussed slides in detail

Jett Price/ Golden Spread had question on process and communication

Josephine Wan / AE asked about amendments and turnaround

Sanchir: accept electronic copies of amendments, etc.

Mark Holler / Tenaska

1165 going to PUC eliminating guaranties for Independent Amts

Roll out of 1165

Will be 10/12 PUC open meeting

5. EAL Change Proposals // Sanchir Dashnyam

Looking at changes to EAL algorithm

Doing validation for changes

Seth Cochran / DC Energy

Asked about large changes in EAL and events driving them

Shams: key is netting DA and RT exposure markets

Scenario 2 and 3 does not include netting; other netting scenarios not presented

Sanchir: rather complete the scenario 2 and 3 analysis

Two definitions of invoice exposure currently and will discuss

Netting involves changing definition of invoice exposure and “can we do it?”

Mark Holler: agrees need to align DA and RT to

Should consider MCE and how that’s calc’d and applied

Wants to look at MCE and FAF’s

Requires generators to post when they are receivable from ERCOT

Sanchir: will consider revisiting MCE but usually EAL drives TPE

Looking at revisiting risk of outages

Seth also supports combining DA and RT

6. New NPRR: Strengthening Credit Qualifications of LC / Surety Bond Issuers // Sanchir Dashnyam

Discussed in June and July, put on hold for LC concentration limits

Leave it as is without change

Will file for PRS in October

Accept if one of three ratings is A- and above

No longer accept BBB ratings

US branches of foreign banks also have to be rated

Surety bonds: A- and above rating requirement

Limit of $100 million per insurer

Bring in size 12 financial size category from AM Best (1 billion in surplus capital)

Seth: make sure CP’s have runway to make changes as a result of policy changes

Mark: increase and concentration limits will decrease pool of acceptable banks and may decline going forward

Discussed “confirming bank” which allows a suitable rated bank posting to ERCOT

7. Standard Review of NPRRs for Credit Impacts (Vote) // Zaldy Zapanta

8. ERCOT Updates // Credit Exposure // Zaldy Zapanta

9. New Business // Brenden Sager

Calendar 2024 make sure no conflicts with other meetings

Cory Phillips, after PRS and before TAC

TAC request from Ann Boren, Brenden will complete

In-person meeting in October, making arrangements

Combo ballot

Four NPRR’s operational, passed unanimously

Adjourn // Brenden Sager