Agenda/Minutes March ERCOT Credit Finance Subgroup

20 March 2024

1. Antitrust Admonition / Zaldy Zapanta

2. Approval of Minutes (Vote) / Brenden Sager

Moved to combo ballot

3. Independent Amount Posting Requirement / Ramsey Cripe

Concerns about NOIE’s costs to post additional collateral

Losing ability to hedge

Particularly impactful to smaller, 20-150MW CP’s

Not posing significant market risk for 50% increase into collateral posting

Proposed to scale it but that’s complicated

If FCE & TPEA is zero then IA is zero?

Sanchir/ERCOT credit

Asking for IA from zero credit risk ctpys

These small players could potentially have CRR activities that could result in obligations/exposures to ERCOT

Struggle to find a solution, not likely to be one right away

No mechanism to prevent CP’s from bidding into CRR obligations

NPRR originally resulted after 1165 approved

4. NPRR1215, Clarifications to the Day-Ahead Market (DAM) Energy-Only Offer Calculation (Possible Vote) // Curry Holden / Katherine Gross

Presented at February meeting

Clarifies existing language on how DAM operates in fact

Shams uncertain if definitions in NPRR meet the clarifying need

Unnecessarily diverts the focus of this NPRR to other areas

ERCOT supports investigating wider changes other parts of protocols

Will refine the language and bring back next month, April

5. Adjusting Earned Interest / Sanchir Dashnyam

Already started paying out interest this year

Interest paid NLT 15th business day

Any disputes must be sent to ERCOT Credit by the 10th

CP’s have automated emails if cash is posted into collateral account

CP’s need to track what’s going on with their cash balances

Problem is with CP’s with subsidiaries and affiliates clearly identifying these

Include CP# in the wire

New ctpys sometimes fail to properly identify the same

Occasionally mystery wires with no ID’s, if you fail to identify wire, there’s not much ERCOT can do

Mark Holler suggested formally establishing posting procedures in the protocols

ERCOT Credit may do so

Including language from Jan 2024 market notice

6. EAL Change Proposals / Sanchir Dashnyam

ERCOT changed UDAA parameter to exclude it

Looking at Net of RT and DA

Looking to minimize negative gaps most during high stress periods vs shoulder months

Also concerned about double top events where collateral exceeds obligations

Kristy Ashley/CES and Shams/Rainbow:

Sought further clarification on different scenarios

Brian Koz:

Concern about hedging calculations

Interested in floors and ceilings for FAF

7. Standard Review of NPRRs for Credit Impacts (Vote) / Cory Phillips

8. ERCOT Updates / Credit Exposure / Zaldy Zapanta

9. New Business / Brenden Sager

10. Combo ballot / Adjourn / Brenden Sager