Member Credit Survey Topics

Credit Subcommittee
April 4, 2014
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1) Volume limit on DA Demand bids based on each member’s peak load
2) Collateral breach cure period reduced from two business days to one business day
3) Payment breach cure period reduced from two business days to one business day
4) Both collateral and payment breach cure periods reduced from two business days to one business day
5) Working credit limit (WCL) reduced to lower than 75% of available market credit
6) Credit requirement based on higher of a lagging calculation (current Peak Market Activity) or a leading calculation (e.g. recent volumes times ratio of forward fuel costs to historical fuel costs)
7) Prepayments to modify PMA credit requirement allowed more than 10 times per 12-month period
8) Prepayments to modify PMA credit requirement allowed 16 times per 12-month period
8) Prepayments to modify PMA credit requirement allowed 10 times during each of the two semiannual periods between the April and October PMA resets

9) Prepayments to modify PMA credit requirements allowed for members without unsecured credit

10) Analysis of alternatives to the current virtual bidding credit requirement algorithm is warranted based on March 4, 2014 Credit Subcommittee presentations on adequacy of current virtual bidding credit requirements

11) Reduction of virtual transactions credit requirement from "1+3" (one upcoming market day plus prior three cleared market days) to "1+1"

12) Tariff change to allow for certification of no change to risk management policies as substitute for annual resubmission