



**SOUTHWEST POWER POOL, INC.
COST CONTROL & ALLOCATION REVIEW & EVALUATION TEAM**

April 13, 2026

8:00 AM – 5:00 PM CT

New Orleans

SUMMARY OF MOTIONS AND ACTION ITEMS

MOTIONS

Motion: The CARE Team approves the meeting minutes from March 3-4, 2026. Stuart Soloman (SPP Board) motioned/ Tyler Huebner (Google) seconded. *The motion passed unanimously.*

Motion: The CARE Team endorses the defined CARE cost application for the EHV Overlay Analysis, as modified. Justin Grady motioned/Stuart Soloman (SPP Board) seconded. *The motion passed with 13 votes in favor and three opposed (AEP, Google, PUCT).*

Motion: Amend the motion on the floor to remove the 2024 and 2025 ITPs from the EHV Overlay Analysis application's scope. Shawnee Claiborn-Pinto (PUCT) motioned/Tyler Huebner (Google) seconded. *The motion failed with three votes in favor and 13 opposed (MOPSC, SPP Board, OCC, NDPSC, LES, KCC, Evergy, NPRB, BEP, SPP Board, APSC, SDPUC, GSEC)*

Motion: Amend the motion on the floor to defer decisions on 100kV – 345kV infrastructure from the EHV Overlay Analysis application's scope. Tyler Huebner (Google) motioned/Shawnee Claiborn-Pinto (PUCT) seconded. *The motion failed with two votes in favor, 11 opposed (MOPSC, SPP Board, OCC, LES, KCC, NPRB, BEP, SPP Board, APSC, SDPUC, GSEC), and three abstentions (LES, Evergy, PUCT)*

ACTION ITEMS

1. Staff to set up conversation with PUCT Staff to further discuss cost containment recommendations.
2. Share the RSC Consultant White Paper with the CARE Team.
3. Staff to recommend to the RSC to harmonize CARE cost allocation methodology for 345 kV and below facilities.
4. Staff provide graph to show states current load (similar to the one reflected in the Cost Methodologies presentation (slide 6)).
5. Staff to provide clarification on the determination on how lower voltage facilities support the EHV overlay.



6. After the Transmission Planning Summit, Staff to draft a communication on overall view on system growth.
7. Staff to explain how to capture reliability benefits if not using APC.
8. CARE members bring back recommendations on O1000 TO Contracts item.
9. Staff to provide more details on the NERC activities for large load.
10. Staff to develop survey for members to rank GRID-L options.
11. Staff to address stranded cost risk with a proposal on a hybrid set of options for discussion.
12. Consider a "no-go" or veto mechanism within the cost allocation rubric framework.



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MINUTES

1. WELCOME

Co-Chair Steve Wright (SPP Board) called the meeting to order at 8:00 AM CT and welcomed everyone.

2. ADMINISTRATIVE ITEMS

a. Approval of Minutes

Stuart Soloman (SPP Board) made a motion to approve the March 3-4, 2026 meeting minutes. The motion was seconded by Tyler Huebner (Google) and passed unanimously.

3. CARE OVERVIEW

a. Workplan

Steve Wright (SPP Board) highlighted an updated workplan, noting progress through the education phase and a transition into decision-making on key issues. Mr. Wright emphasized the importance of maintaining the timeline to complete recommendations ahead of the 2026 Integrated Transmission Plan (ITP) cycle, with key milestones including development of cost allocation options and delivery of the final report by November.

4. CARE COST ALLOCATION APPLICATION SCOPE AND POLICY PAPER

Sunny Raheem (SPP Staff) provided a presentation that focused on defining the scope and application of a new cost allocation methodology for transmission facilities above 345 kV and associated supporting infrastructure. Specifically in scope includes, 1) facilities above 345 kV identified through 2024, 2025, 2026 CPP/ITP, and future CPP/ITP studies, 2) future expansion of above 345kV, including those sources from Attachment AQ and AX, and 3) 100-345kV infrastructure required for reliability of the overlay. The group had a robust discussion regarding inclusion of 100-345 kV supporting infrastructure, with concerns about complexity, definitional clarity, and regulatory defensibility. Staff noted that supporting infrastructure could be defined by utilizing a “but for” test.

Chuck Hutchison (NPRB), President of the Regional State Committee (RSC), confirmed that the RSC is evaluating potential cost allocation changes across other voltage levels, supported by a consultant providing analysis and recommendations. The consultant’s work is ongoing and currently focused on issues before the CARE group, with broader cost allocation reviews expected after CARE finalizes its recommendations. Kevin Gunn (Evergy) emphasized the importance of aligning CARE’s approach with other cost allocation methodologies to avoid



creating inconsistent incentives. Staff stated the intent to work with the RSC and its consultant to harmonize revisions to cost allocation methodologies being considered by CARE and the RSC. Additionally, the following language was proposed to be added to the policy paper to address concerns:

We recommend the RSC consider the broader body of work developed by the CARE Team aimed at harmonizing cost allocation methodologies across other voltage levels. This ensures that, over time, the region advances toward a more cohesive and integrated cost allocation framework, while allowing the current effort to remain focused on the immediate priorities associated with the EHV overlay.

As an amendment, Tyler Huebner (Google) proposed deferring a decision on the inclusion 100-300kV supporting infrastructure category from the analysis pending further guardrails and clarification on why the supporting lines are being treated differently than other similar voltage lines. An action item was recorded to clarify how staff will demonstrate that lower-voltage facilities support the EHV overlay.

Motion: Amend the motion on the floor to defer decisions on 100kV – 345kV infrastructure from the EHV Overlay Analysis application’s scope. Tyler Huebner (Google) motioned/Shawnee Claiborn-Pinto (PUCT) seconded. *The motion failed with two votes in favor, 11 opposed (MOPSC, SPP Board, OCC, LES, KCC, NPRB, BEP, SPP Board, APSC, SDPUC, GSEC), and three abstentions (LES, Evergy, PUCT)*

CARE Team members also discussed whether the new cost allocation should apply retroactively to projects approved in the 2024 and 2025 ITP cycles but not yet in service. Staff clarified that while these projects are approved, costs have not yet been included in rates, so the new allocation would apply prospectively, not retroactively. Shawnee Claiborn-Pinto (PUCT) proposed amending the motion to exclude the 2024 and 2025 ITPs from the analysis for regulatory certainty and investment purposes.

Motion: Amend the motion on the floor to remove the 2024 and 2025 ITPs from the EHV Overlay Analysis application’s scope. Shawnee Claiborn-Pinto (PUCT) motioned/Tyler Huebner (Google) seconded. *The motion failed with three votes in favor and 13 opposed (MOPSC, SPP Board, OCC, NDPSC, LES, KCC, Evergy, NPRB, BEP, SPP Board, APSC, SDPUC, GSEC)*

The group then returned to the original motion to consider the scope of the CARE cost allocation application.

Motion: The CARE Team endorses the defined CARE cost application for the EHV Overlay Analysis, as modified. Justin Grady motioned/Stuart Soloman (SPP Board) seconded. *The motion passed with 13 votes in favor and three opposed (AEP, Google, PUCT).*



5. COST CONTAINMENT PROCESS RECOMMENDATIONS

Shawnee Claiborn-Pinto (PUCT) provided a brief overview of suggested improvements to the cost containment process. These suggestions include, (1) a project management element, (2) an independent third-party monitor and (3) a portal with project cost and schedule information accessible to the public. Tony Green (SPP Staff) described SPP's work plan, which incorporates prior research on independent monitors and includes enhancements to project tracking, and dashboard functionality targeted for completion by 2027. PUCT Staff and SPP Staff agreed to continue discussions to refine proposals before taking further action. Casey Cathey (SPP Staff) indicated the cost containment activities would be integrated into the comprehensive package for final recommendations.

6. ACTION ITEM: COST CONTAINMENT – TO CONTRACTS

Paul Suskie (SPP Staff) provided an update status of transmission owner (TO) contracts related to notices to construct (NTCs) for competitive projects, short-term reliability projects (STRPs), and potential expansion to other projects. Concerns were raised about administrative burden, compliance risks, and applicability beyond competitive projects. Stakeholders emphasized the need for transparency, cost containment, and exploring alternatives to contracts for non-competitive projects. Chair Wright offered an opportunity for CARE utility members to share any additional proposed tools at the May meeting, particularly those applicable to non-competitive projects, to inform a recommendation.

7. COST ALLOCATION

a. Cost Allocation Survey Recap

Chair Wright reviewed survey results on cost allocation preferences, highlighting strong support for alternatives to sole reliance on highway byway methods, incorporation of energy charges, and a hybrid approach combining load ratio share with other analyses. The group acknowledged the need to balance analytical depth with simplicity and defensibility.

b. Cost Allocation Rubric

Sarah Bockelmann (SPP Staff) presented the revised cost allocation rubric, which was updated to incorporate survey feedback, align with guiding principles, and simplify scoring to improve usability. Key criteria include cost alignment, regional balance and responsible growth, long-term system fit, implementation practicality, and regulatory defensibility, each weighted to reflect their importance. The group discussed refining definitions, harmonizing language on large load cost responsibility, and adjusting weights among criteria to prioritize cost alignment. Staff will further revise the rubric based on feedback and bring back an updated version for consideration, including a "no-go" or veto mechanism within the rubric



c. EHV Cost Methodologies Comparison

Casey Cathey (SPP Staff) provided an update on the 2026 ITP portfolio development, noting delays due to challenges with economic modeling and the large volume of identified needs. Staff highlighted the importance of stakeholder engagement, including a planned July 29 Planning Summit and additional educational sessions, and emphasized the need to better understand firm commitments and load growth projections. Discussion covered transmission planning considerations, particularly the role of 765 kV infrastructure in meeting large-scale load growth. Staff explained that higher-voltage facilities provide significantly greater capacity and efficiency compared to 345 kV alternatives, especially under contingency conditions, though both voltage levels must be optimized together to maintain system reliability. Staff then reviewed illustrative cost allocation methodologies, including load ratio share, hybrid approaches, and benefits-based frameworks. Stakeholders noted that while benefits-based methods can better reflect economic value, they introduce challenges such as volatility, sensitivity to assumptions, and difficulty in quantifying reliability benefits. Stakeholders requested that Staff explain how to capture reliability benefits if not using the adjusted production cost. The group discussed hybrid approaches that balance economic and reliability considerations, including allocating reliability costs via load ratio share while using benefits metrics for other components. Staff will present a spectrum of cost allocation approaches for the EHV overlay:

1. Reference Case – Status Quo (Highway/Byway)
2. Hybrid Approach (“Hybrid on Hybrid”)
 - a. Split treatment between EHV Overlay (regional) and reliability projects at a sub-regional level
3. Beneficiary Pays Allocation
 - a. Consideration of project phasing and timing
 - b. Addressing benefit volatility over time
 - c. Include reliability benefits
4. Simplified Approach (80/20-Type Approach)
 - a. Historical energy consumption
 - b. Incorporate 12CP + energy as validation metrics
5. Minimalist/Energy-Only Approach
 - a. Energy Charge Change
 - b. Grid-L change
 - c. Without the benefits calculation (Adjusted Production Cost)

8. ANNUAL TRANSMISSION REVENUE REQUIREMENT FORECAST

Gayle Freier (SPP Staff) provided an illustrative example of Schedule 11 Annual Transmission Revenue Requirement (ATRR) forecasts, including historical data from 2006 and projections through 2025. The presentation provided zonal and regional ATRR figures, illustrating potential impacts of portfolios ranging from one to ten billion dollars. The data serves as a basis for stakeholders to estimate future transmission rates and understand cost implications of transmission investments.



9. LARGE LOADS

a. White House Rate Payer Protection Pledge

Paul Suskie (SPP Staff) reviewed the White House's rate payer protection pledge related to new AI data center construction and operation, emphasizing the commitment that new large loads pay for required power delivery infrastructure upgrades to protect existing rate payers. This federal direction influences cost allocation discussions and signals openness to innovative approaches for large load cost responsibility within the SPP footprint.

b. GRID-LL

Sunny Raheem (SPP Staff) presented three high-level options for Grid-L large load cost allocation, including upfront commitments that provide cost certainty, incremental charges tied to load-triggered upgrades, and a hybrid approach combining upfront securities with ongoing payments. Discussion focused on balancing cost causation, risk mitigation, and administrative simplicity, with considerations such as thresholds for applicability, phased load additions, and potential gaming risks. Stakeholders emphasized the importance of clear definitions regarding "large load", particularly around baseline load growth, and the need for transparent, practical mechanisms that encourage efficient siting and system use.

The group also explored broader policy and implementation considerations, including how Grid-L should apply, how projects are evaluated, and how payments and credit requirements would be structured. Participants highlighted the need to integrate Grid L with regional planning and cost allocation frameworks while addressing fairness, stranded cost risk, and incentives for large load customers. SPP staff will analyze risk mitigation approaches, such as upfront payments and "take-or-pay" mechanisms, to address stranded cost concerns, and ensure alignment with the Consolidated Planning Process and broader regional planning objectives. Several open issues remain, including how to define large load, whether different types of load should be treated differently, how to prevent gaming behaviors such as phased development, and how to balance precision with administrative simplicity. The next step is to gather stakeholder input and return with more refined, detailed proposals to continue moving toward a consensus approach, including an update on NERC activities on large loads, conducting a survey with CARE members to rank GRID-L options, and propose a stranded cost risk with a hybrid set of options.

10. ACTION ITEM REVIEW

Several new action items were established:

1. Staff to set up conversation with PUCT Staff to further discuss cost containment recommendations.
2. Share the RSC Consultant White Paper with the CARE Team.
3. Staff recommend to the RSC to harmonize CARE cost allocation methodology for 345 kV and below facilities.
4. Staff provide graph to show states current load (similar to the one reflected in the Cost Methodologies presentation (slide 6)).



5. Staff to provide clarification on the determination on how lower voltage facilities support the EHV overlay.
6. After the Transmission Planning Summit, Staff to draft a communication on overall view on system growth.
7. Staff to explain how to capture reliability benefits if not using APC.
8. CARE members bring back recommendations on O1000 TO Contracts item.
9. Staff to provide more details on the NERC activities for large load.
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11. Staff to address stranded cost risk with a proposal on a hybrid set of options for discussion.
12. Consider a “no-go” or veto mechanism within the cost allocation rubric framework.

11. NEXT STEPS

a. Meeting Schedule Update

An updated meeting schedule was discussed and decided as follows:

| Month | Meeting Date | Location |
|-----------|-----------------------------------|-------------|
| June | Monday, June 15 (8:00-5:00 CT) | Chicago |
| | Tuesday, June 16 (8:00-12:00 CT) | |
| July | Monday, July 6 (8:00-5:00 MT) | Denver |
| | Thursday, July 23 (8:00-5:00 CT) | Virtual |
| August | Sunday, August 2 (1:00-5:00 CT) | St. Paul |
| | Monday, August 24 (8:00-5:00 CT) | Virtual |
| September | Wednesday, Sept 16 (8:00-5:00 CT) | Kansas City |
| | Thursday, Sept 17 (8:00-5:00 CT) | |
| October | Monday, Oct 19 (8:00-5:00 CT) | Virtual |
| November | Sunday, Nov 15 (1:00-5:00 CT) | Little Rock |
| December | Tuesday, Dec 8 (8:00-12:00 CT) | Virtual |

12. ADJOURNMENT

The meeting was adjourned at 5:00 pm.