COST CONTROL & ALLOCATION REVIEW & EVALUATION TEAM MEETING
October 7, 2026
8:00 a.m. – 5:00 p.m. CT

Hilton O'Hare | Chicago, IL

SUMMARY OF MOTIONS AND ACTION ITEMS

Motions

Motion: The CARE Team approves the meeting minutes from September 16-17, 2026. Kevin Gunn (Evergy) motioned/Mike Wise (GSEC) seconded. *The motion passed unanimously.*

Motion: The CARE Team recommends establishing the SCALE Study, and using the White Paper as advisory guidance, as modified, for the subsequent working groups as they develop the details of the study. Justin Grady (KCC) motioned/Randy Christmann (NDPSC) seconded. *The motion passed with 15 votes in favor and one abstention (LES).*

Motion: The CARE Team approves RR814 – Load Safe Harbor Limit, as presented. This motion was moved by Kevin Gunn (Evergy) and Jon Thurber (SDPUC).

First Amended Motion: The CARE Team approves RR814 – Load Safe Harbor Limit, with the cost limits as initially posted, and with the following changes:

- Limit direct assignment resulting from the Load Safe Harbor Limit to no more than 20 years, with recovery of the revenue requirement subsequently reverting to Base Plan Upgrade cost allocation.

Kevin Gunn (Evergy) motioned/Jon Thurber (SDPUC) seconded. *The motion passed with 15 in favor and one abstention (AEP).*

Second Amended Motion: The CARE Team approves RR814 – Load Safe Harbor Limit, with the cost limits as initially posted, and with the following changes:

- Make the Load Safe Harbor Limit applicable only to delivery point additions or modifications that are requested for study on or after the Tariff effective date established by FERC.

Kevin Gunn (Evergy) motioned/Jon Thurber (SDPUC) seconded. *The motion passed with 14 in favor and two abstentions (AEP, GSEC).*

Final Motion: The CARE Team approves RR814 – Load Safe Harbor Limit, as presented, and with the following changes:

- Make the Load Safe Harbor Limit applicable only to delivery point additions or modifications that are requested for study on or after the Tariff effective date established by FERC; and
- Limit direct assignment resulting from the Load Safe Harbor Limit to no more than 20 years, with recovery of the revenue requirement subsequently reverting to Base Plan Upgrade cost allocation.

Kevin Gunn (Evergy) motioned/Jon Thurber (SDPUC) seconded. *The motion passed with 14 in favor and two abstentions (AEP, PUCT).*

Motion: The CARE Team recommends adopting the "High Impact Large Load" (HILL) definition, as defined by the SPP Tariff, for the purpose of identifying Large Loads within the CARE Team scope. Tyler Huebner (Google) motioned/Kate Daley (AEP) seconded. *The motion passed with 15 votes in favor and one abstention (SPP Board – Wright).*

Motion: The CARE Team recommends that the Large Load Cost Allocation Policy apply to new or incremental Large Loads assumed in the 2026 ITP/CPP and subsequent planning cycles. Chuck Hutchison (NPRB) motioned/Kate Daley (AEP) seconded. *The motion passed with 15 votes in favor and one opposed (Google).*

Action Items

1. Add clarifying points, including timing and jurisdictional issues, discussed during meeting to the SCALE Study white paper and provide an update to the team.
2. Make clear in final report how to apply the Large Load Applicability motion to framework
3. Staff provide additional information regarding the magnitude of what is included baseline and incremental.
4. Share results of survey with CARE Team.
5. Staff to provide information on system-wide load growth, starting from the year of the first applicable ITP across the 10–20 year horizon, so the group can see how their load growth compares to the rest of the SPP footprint.
6. Staff to conduct a net present value (NPV) analysis of the scale study scenarios, comparing a fast northern build-out versus a slow northern build-out, to quantify the cost impact when a discount rate and the time value of money are applied.

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MINUTES

Agenda Item 1 – Call to Order

CARE Co-Chair Steve Wright (SPP Board) called the meeting to order at 8:03 a.m. CT and welcomed everyone. The following members were present or represented by proxy:

CARE Co-Chair Kayla Hahn, Missouri Public Service Commission (MOPSC)
Kate Daley, American Electric Power (AEP)
Jason Chaplin, Oklahoma Corporation Commission (OCC)
Randel Christmann, North Dakota Public Service Commission (NDPSC)
Dennis Florom, Lincoln Electric System (LES)
Justin Grady, Kansas Corporation Commission (KCC)
Kevin Gunn, Evergy
Tyler Huebner, Google
Chuck Hutchison, Nebraska Power Review Board (NPRB)
Kathleen Jackson, Public Utility Commission of Texas (PUCT)
Jeremy Severson, Basin Electric Power (BEP)
Stuart Solomon, SPP Board of Directors (SPP Board)
Justin Tate, Arkansas Public Service Commission (APSC)
Jon Thurber, South Dakota Public Utilities Commission (SDPUC)
Michael Wise, Golden Spread Electric Cooperative (GSEC)
CARE Co-Chair Steve Wright, SPP Board of Directors (SPP Board)

Agenda Item 2 – Administrative Items

A. Approval of Minutes

Motion: The CARE Team approves the meeting minutes from September 16-17, 2026. Kevin Gunn (Evergy) motioned/Mike Wise (GSEC) seconded. *The motion passed unanimously.*

B. Review of Action Items

Kim O'Guinn (SPP) reviewed open action items from previous meetings.

Agenda Item 3 – CARE Roadmap

Kim O'Guinn (SPP) reviewed the roadmap and highlighted the objectives for the upcoming meetings.

Agenda Item 4 – Baseline & Incremental Cost Allocation Method

Charles Locke (SPP) presented an overview of a baseline and incremental cost-allocation methodology as a potential modification to the Highway/Byway framework for facilities within the CARE scope. The proposal would allocate a baseline share of costs to all transmission customers based on total load to reflect region-wide benefits, while an incremental share would be allocated according to each customer's load growth above a historical benchmark, using 12 CP and energy and either actual or the greater of actual and forecast load to help manage load-materialization risk.

Members discussed forecasting incentives, the distinction between transmission customers and LREs, and how to establish an appropriate historical benchmark, with Locke emphasizing the need for a multi-year period reflecting pre-overlay load conditions. Members also considered whether the methodology should apply only to >345 kV CARE facilities or more broadly. Questions were raised about how well incremental allocation accounts for facility location and benefit distribution, and some suggested a hybrid regional-deliverability approach. Others noted that the overlay provides region-wide benefits and cautioned against discouraging economic development or duplicating existing allocators. Members agreed that further work is needed to refine the baseline period, the baseline-incremental split, and potential safeguards for high-growth customers. Staff reiterated support for Highway/Byway using 12 CP and energy. Views differed on the method's benefits, risks, and complexity, and members discussed whether it could complement regional or deliverability-area approaches. No decision was reached, though members stressed the importance of providing sufficient direction for the RSC and working groups, potentially by outlining multiple allocation options for further analysis**.**

Agenda Item 5 – Lookback and Look-forward Mechanism

Brooke Keene (SPP) introduced the "look-back/look-forward" mechanism branded as the SCALE study (SPP Cost Allocation and Long-Term Equity). The proposal gives the Regional Allocation Review Task Force (RARTF) flexibility to define scope, timing, assumptions, analytical granularity, and benefit-cost thresholds. Members discussed the proposed SCALE study, including its scope, governance, timing, cost, and potential equity measures. Staff explained that RARTF could determine whether analyses include the full overlay, including facilities without NTCs, and could evaluate scenarios with and without those facilities on an entity-by-entity basis. Thresholds and remedies would be established before each study and could vary across the four stages, with the RSC able to implement equity measures at any stage.

Staff clarified that SCALE is an advisory assessment and would not itself require changes to cost allocation. SCALE would be separate from and supplemental to the 2028 Regional Cost Allocation Review (RCAR), potentially evaluating different facilities and equity measures. Members suggested updating the white paper to document clarifications regarding study timing, scope, and governance responsibilities.

Motion: The CARE Team recommends establishing the SCALE Study, and using the White Paper as advisory guidance, as modified, for the subsequent working groups as they develop the details of the study. Justin Grady (KCC) motioned/Randy Christmann (NDPSC) seconded. *The motion passed with 15 votes in favor and one abstention (LES).*

Agenda Item 6 – Load Materialization and CALL

Natasha Henderson (SPP) explained how the load materialization protection mechanism and cost allocation for large load charge (CALL) could function under various cost allocation approaches. Under the baseline-and-incremental approach, the higher rate for incremental load could serve as the CALL, potentially eliminating a separate charge. Staff noted that targeting large loads could simplify implementation through Business Practice 7060. Members discussed double-counting, load thresholds, forecasting, rate design, and FERC jurisdiction. Staff clarified that regional overlay costs and direct-assigned interconnection upgrades are separate and would not be double-counted. The incremental charge would reflect higher costs attributable to incremental load, likely through a rate over time, with retail cost recovery subject to applicable regulatory approval.

Agenda Item 7 – RR814 – Load Safe Harbor Limit

Charles Locke (SPP) presented RR814, developed in response to FERC's show cause order on large-load financial contributions and cost-shift mitigation. The proposal would base plan fund network upgrades up to the lesser of $500,000/MW or $25 million, with excess costs directly assigned to the transmission customer for up to 40 years and supported by financial security. The committee reviewed an alternative recommendation from the CAWG to apply at $21.25 million limit, only to loads of 50 MW or greater. Staff raised concerns that this approach would leave smaller loads without cost controls and create incentives to remain below the threshold. Members discussed load thresholds, cost limits, direct-assignment terms, embedded costs, historical data, and multiple loads at a delivery point. Staff favored periodic review of the limits over automatic adjustments and confirmed the proposal would apply prospectively following the FERC-approved effective date.

The committee considered the proposal as presented, including the $500,000/MW or $25 million limit and 40-year maximum term. An amendment to reduce the maximum term to 20 years passed, with one abstention. An amendment to apply the limits prospectively to delivery-point additions or modifications requested on or after the FERC-approved tariff effective date passed with two abstentions. A motion to remove the aggregate cap was withdrawn following discussion. The underlying motion, as amended to include the 20-year term and prospective application, passed 14–2, with abstentions. Staff indicated that RR814 would proceed to MOPC and the RSC for consideration ahead of the November 20th FERC compliance filing deadline.

Once the votes on Agenda Item #7 concluded, one CARE team member expressed concern about procedure regarding the vote, and assumed the CAWG motion would also be considered. In response, other CARE team members expressed that the procedure was understood and that it would create uncertainty if the CAWG motion was entertained after a motion was adopted by CARE. In resolution of this issue, the CARE team member was offered an opportunity to bring an additional amendment to the adopted motion to CARE at the next upcoming meeting.

Motion: The CARE Team approves RR814 – Load Safe Harbor Limit, as presented. This motion was moved by Kevin Gunn (Evergy) and Jon Thurber (SDPUC).

First Amended Motion: The CARE Team approves RR814 – Load Safe Harbor Limit, with the cost limits as initially posted, and with the following changes:

- Limit direct assignment resulting from the Load Safe Harbor Limit to no more than 20 years, with recovery of the revenue requirement subsequently reverting to Base Plan Upgrade cost allocation.

Kevin Gunn (Evergy) motioned/Jon Thurber (SDPUC) seconded. *The motion passed with 15 in favor and one abstention (AEP).*

Second Amended Motion: The CARE Team approves RR814 – Load Safe Harbor Limit, with the cost limits as initially posted, and with the following changes:

- Make the Load Safe Harbor Limit applicable only to delivery point additions or modifications that are requested for study on or after the Tariff effective date established by FERC.

Kevin Gunn (Evergy) motioned/Jon Thurber (SDPUC) seconded. *The motion passed with 14 in favor and two abstentions (AEP, GSEC).*

Final Motion: The CARE Team approves RR814 – Load Safe Harbor Limit, as presented, and with the following changes:

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- Limit direct assignment resulting from the Load Safe Harbor Limit to no more than 20 years, with recovery of the revenue requirement subsequently reverting to Base Plan Upgrade cost allocation.

Kevin Gunn (Evergy) motioned/Jon Thurber (SDPUC) seconded. *The motion passed with 14 in favor and two abstentions (AEP, PUCT).*

Agenda Item 8 – Large Load Definition

The CARE Team revisited the definition of large load, which had been discussed and surveyed at prior meetings, with significant support for using SPP's existing High Impact Large Load (HILL) definition as established in the SPP Tariff and approved by FERC.

Motion: The CARE Team recommends adopting the "High Impact Large Load" (HILL) definition, as defined by the SPP Tariff, for the purpose of identifying Large Loads within the CARE Team scope. Tyler Huebner (Google) motioned/Kate Daley (AEP) seconded. *The motion passed with 15 votes in favor and one abstention (SPP Board – Wright).*

Agenda Item 9 – Planning Year Applicability of Large Load Policy

The CARE Team considered the applicability of its large load cost allocation policy and discussed whether the policy should apply to large loads included in the 2024 and 2025 ITP cycles or prospectively beginning with the 2026 ITP cycle. The proposed motion recommended applying the policy to new or incremental large loads assumed in the 2026 ITP, CPP and subsequent planning cycles, with 2024 and 2025 ITPs excluded. Members discussed implementation considerations, including the timing of FERC approval, service agreements, and the application of the policy to both direct assignment of network upgrade costs and the allocation of costs under the ITP CPP. Staff clarified that the policy would apply prospectively to new service agreements and unconfirmed spot loads, including Future 2 loads, rather than reopening previously approved service agreements. Members also discussed the need to clearly explain in the CARE Team's final report how the policy would be implemented under the different cost allocation frameworks.

> **Motion:** The CARE Team recommends that the Large Load Cost Allocation Policy apply to new or incremental Large Loads assumed in the 2026 ITP/CPP and subsequent planning cycles. Chuck Hutchison (NPRB) motioned/Kate Daley (AEP) seconded. *The motion passed with 15 votes in favor and one opposed (Google).*

Agenda Item 10 – CARE One-Pager Recommendations

Chair Wright led the group through a survey to gauge members' preferred general cost allocation methodology and identify which options they could support.

1. Members were asked to choose their top preference from the following:
    a. Highway/Byway
    b. Baseline & Incremental
    c. Deliverability Area Split with Eventual Transition to Highway/Byway
    d. Deliverability Area Split

Option	Preference
Highway/Byway	7
Baseline & Incremental	7
Deliverability Area Split with Transition	3
Deliverability Area Split	0

2. Members were asked to rank the following option according to whether or not they were able to live with the choice and to not rank choice they could not live with
    a. Highway/Byway
    b. Baseline & Incremental
    c. Deliverability Area Split with Eventual Transition to Highway/Byway
    d. Deliverability Area Split

Option	1st	2nd	3rd	4th	Total Rankings
Baseline & Incremental	7	7	1	0	15
Highway / Byway	7	5	1	0	13
Deliverability Area Split w/Eventual Transition	3	1	4	0	8
Deliverability Area Split	0	2	1	1	4

Agenda Item 11 – CARE Recommendation Report Framework

Kim O'Guinn (SPP) provided a high-level overview of the final report framework.

Agenda Item 12 – Action Item Review

1. Add clarifying points, including timing and jurisdictional issues, discussed during meeting to the SCALE Study white paper and provide an update to the team.
2. Make clear in final report how to apply the Large Load Applicability motion to framework
3. Staff provide additional information regarding the magnitude of what is included baseline and incremental.
4. Share results of survey with CARE Team.
5. Staff to provide information on system-wide load growth, starting from the year of the first applicable ITP across the 10–20 year horizon, so the group can see how their load growth compares to the rest of the SPP footprint.
6. Staff to conduct a net present value (NPV) analysis of the scale study scenarios, comparing a fast northern build-out versus a slow northern build-out, to quantify the cost impact when a discount rate and the time value of money are applied.

Agenda Item 14 – Next Steps

Chair Hahn stated the group would vote on the cost allocation methodology and the final recommendation report at the October 19, 2026 meeting.

Agenda Item 15 – Adjournment

Chair Hahn adjourned the meeting at 4:30 pm CT.

Month	Meeting Date	Location
October	Monday, Oct 19 (8:00-5:00 CT)	Denver
November	Sunday, Nov 15 (1:00-5:00 CT)	Little Rock
December	Tuesday, Dec 8 (8:00-12:00 CT)	Virtual