

COST ALLOCATION WORKING GROUP MEETING

Wednesday, July 8, 2026

9:00 A.M. CT – 4:00 P.M. CT

Virtual

SUMMARY OF MOTIONS AND ACTION ITEMS

Motions

MOTION: To approve the Consent Agenda. Shawnee Claiborn-Pinto (PUCT) motioned/Cindy Ireland (APSC) seconded. *The motion passed unanimously.*

MOTION: The CAWG endorses the memo provided by Bates White Consulting as reflective of their position on cost allocation for transmission upgrades associated with generation retirement. Shawnee Claiborn-Pinto (PUCT) motioned/Jason Chaplin (OCC) seconded. *The motion passed unanimously.* Shawnee Claiborn-Pinto (PUCT) motioned/Jason Chaplin (OCC) seconded. *The motion passed unanimously.*

MOTION: The CAWG endorses the CARE Recommendation document provided by Staff as reflective of their position on the benefit-cost ratio threshold. Justin Grady (KCC) motioned/Shawnee Claiborn-Pinto (PUCT) seconded. *The motion passed with ten votes in favor, one opposed (MNPUC), and five abstentions (AZCC, OCC, SDPUC, UPSC, WY PSC)*

MOTION: The Cost Allocation Working Group recommends the RSC approve RR784 - Planning Criteria Update for 2030 and 2032 PRM Values, as presented. Matt Alvarado (IUC) motioned/Cindy Ireland (APSC) seconded. *The motion passed unanimously.*

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MINUTES

Agenda Item 1 – CALL TO ORDER AND ADMINISTRATIVE ITEMS

John Krajewski (NPRB) called the meeting to order at 9:00 a.m. CT and a quorum was established. The following members were in attendance or were represented by proxy:

John Krajewski, Chair – Nebraska Power Review Board (NPRB)

Adam McKinnie – Missouri Public Service Commission (MOPSC), *proxy Walt Cecil*

Agata Malek – New Mexico Public Regulation Commission (NMPRC), *proxy Angelah Magofna*

Cindy Ireland – Arkansas Public Service Commission (APSC)

Gerald Deaver – Colorado Public Utilities Commission (COPUC)

Greg Rislov – South Dakota Public Utilities Commission (SDPUC)

Jason Chaplin – Oklahoma Corporation Commission (OCC)

Justin Grady – Kansas Corporation Commission (KCC)

Kara Kolkman – Wyoming Public Service Commission (WYPSC)

Lane Sisung – Louisiana Public Service Commission (LPSC), *proxy Dana Shelton*

Lise Trudeau – Minnesota Public Utilities Commission (MNPUC), *proxy Ben Kodres O'Brien*

Matt Alvarado – Iowa Utilities Commission (IUC)

Shawnee Claiborn-Pinto – Public Utilities Commission of Texas (PUCT)

Steve Olea – Arizona Corporation Commission (AZCC)

Tedann Olsen – Utah Public Service Commission (UTPSC)

Victor Schock - North Dakota Public Service Commission (NDPSC), *proxy Chris Hanson*

Agenda Item 2 – CONSENT AGENDA

The consent agenda included the agenda for the current meeting, the meeting minutes from June 11, 2026 and the meeting minutes from the CAWG/ESWG joint meeting from June 25, 2026.

MOTION: To approve the Consent Agenda. Shawnee Claiborn-Pinto (PUCT) motioned/ Cindy Ireland (APSC) seconded. *The motion passed unanimously.*

Agenda Item 3 – REVIEW OF PAST ACTION ITEMS

Angela Sartori (SPP) reviewed the status of open action items.

Agenda Item 4 – FERC UPDATE

Justin Hinton (SPP) provided an update on the pending FERC dockets.

Agenda Item 5 – RESOURCE ADEQUACY UPDATE

- a. **Supply Adequacy Working Group:** Justin Grady (KCC) provided an update from the June SAWG meeting.
- b. **REAL Team:** Shawnee Claiborn-Pinto (PUCT) provided a recap of the June REAL Team meeting.

Agenda Item 6 – CARE TEAM UPDATE

Justin Grady (KCC) provided a recap of the July CARE Team meeting.

Agenda Item 7 – GENERATOR RETIREMENT COST ALLOCATION MEMO

John Kraejwski (NPRB) presented a memo, developed by Bates-Whites, addressing the CAWG action on generator retirement cost allocation. The memo reflects prior discussions and recommends maintaining the cost allocation approach approved in 2020, with the intent of submitting it to the CARE Team for consideration at a future meeting.

MOTION: The CAWG endorses the memo provided by Bates White Consulting as reflective of their position on cost allocation for transmission upgrades associated with generation retirement. Shawnee Claiborn-Pinto (PUCT) motioned/Jason Chaplin (OCC) seconded. *The motion passed unanimously.*

Agenda Item 8 – CAWG/ESWG B/C THRESHOLD RECOMMENDATION MEMO

Maurisa Hughes (SPP) presented an overview of the memo recommending a benefit-cost threshold policy for CARE Team consideration. The memo reflects discussions and recommendations developed by the CAWG and the Economic Studies Working Group (ESWG).

MOTION: The CAWG endorses the CARE Recommendation document provided by Staff as reflective of their position on the benefit-cost ratio threshold. Justin Grady (KCC) motioned/Shawnee Claiborn-Pinto (PUCT) seconded. *The motion passed with ten votes in favor, one opposed (MNPUC), and five abstentions (AZCC, OCC, SDPUC, UPSC, WY PSC)*

Agenda Item 9 – FERC SHOW CAUSE ON LARGE LOADS

Meredith Powell (SPP) provided an overview of the FERC Section 206 Show Cause Order regarding large loads. Powell explained that SPP staff is leading efforts on the transmission service, co-location, and flexible load provisions, while the CARE Team, with RSC support, is addressing transparency and cost-shifting concerns. Powell also reviewed the response timeline, noting that SPP plans to request a 90-day extension to the August 17 response deadline to allow adequate time for stakeholder review, tariff revisions, and any necessary special RSC and Board meetings. The committee discussed the challenge of balancing greater transparency with confidentiality protections for large load customers. Members emphasized the importance of providing greater visibility into projects receiving regional cost allocation while recognizing limitations on disclosing customer-specific information. Suggestions included developing a centralized, searchable repository of non-confidential large load information to improve stakeholder access. Staff noted ongoing efforts to consolidate available data and clarify what information can be shared, and members agreed to continue providing input on transparency approaches as CARE develops its response to the FERC order.

Agenda Item 10 – RR784 – PLANNING CRITERIA UPDATE FOR 2030 & 2032 PRM VALUES

Chris Haley (SPP) reviewed the Recommendation Report for RR784 which incorporates the previously approved 2030 and 2032 Planning Reserve Margins into the SPP Planning Criteria.

MOTION: The Cost Allocation Working Group recommends the RSC approve RR784 - Planning Criteria Update for 2030 and 2032 PRM Values, as presented. Matt Alvarado (IUC) motioned/Cindy Ireland (APSC) seconded. *The motion passed unanimously.*

Agenda Item 11 – RR743 – COST OF NEW ENTRY

Chris Haley (SPP) presented a proposed revision to the Cost of New Entry (CONE) methodology developed with input from a small stakeholder group, including members of CAWG, the SAWG, and the Market Monitoring Unit. The proposal establishes a rolling three-year CONE cycle, featuring a comprehensive recalculation in the first year followed by annual updates for inflation in years two and three. Haley explained that the revision incorporates a new calculation tool, updated data sources emphasizing investor-owned utility costs, and annual updates intended to provide more accurate market signals and better align deficiency payments with current economic conditions. During discussion, members generally supported the updated process while noting future work is needed to address the impact of resource accreditation on CONE calculations and the Deficiency Payment. CAWG members expressed interest in ensuring escalation factors adequately capture market volatility. Staff indicated that year-one CONE values would continue to require stakeholder approval, while years two and three updates would use the approved methodology unless substantive changes are made. Haley outlined a schedule targeting formal stakeholder approval in August/September and final consideration by the RSC and Board in November. Stakeholders were encouraged to review the posted materials and provide additional feedback.

Agenda Item 12 – INTERMEDIATE PLANNING EDUCATION

Brooke Keene (SPP) provided education on the proposed Intermediate Planning process, a new business function intended to bridge the gap between real-time operations and long-term transmission planning by addressing reliability and economic risks that emerge within a one- to three-year horizon. Members discussed the process, study criteria, funding, and governance, expressing support for addressing midterm reliability needs while emphasizing the importance of avoiding duplication with existing planning efforts, maintaining appropriate stakeholder oversight, and clearly defining the scope of eligible projects to prevent unintended impacts on competitive transmission processes. CAWG and RSC will need to review cost allocation for NTCs issued out of this process.

Agenda Item 13 – WORKING GROUP UPDATES

No updates were provided.

Agenda Item 14 – UPCOMING ITEMS FOR RSC

ITEM	CAWG APPROVAL	AUG-26	NOV-26
Cost Allocation Subregions for RTO Expansion	6/2026	V	
RR786 – CPP Governing Language Clarification	6/2026	V	

RR784 – Planning Reserve Margin RR	7/2026	V	
Intermediate Planning Cost Allocation			V
RR743 – CONE Process			V
RRXXX – Price Adaptive Load Service			V

Agenda Item 15 – ACTION ITEMS

No new formal action items were established.

Agenda Item 16– UPCOMING MEETINGS

MONTH	DATE	START TIME	FORMAT
August	Monday, August 10, 2026	9:00 am CT	Virtual
September	Thursday, September 3, 2026	8:30 am MT	in-person (Denver, CO)
October	Thursday, October 1, 2026	9:00 am CT	Virtual
November	Thursday, November 12, 2026	9:00 am CT	Virtual
December	Thursday, December 10, 2026	8:30 am MT	in-person (Denver, CO)

Agenda Item 17 – ADJOURNMENT

Chair Krajewski adjourned the meeting at 2:26 p.m. CT

Respectfully Submitted,

Angela Sartori
CAWG Staff Secretary