COST ALLOCATION WORKING GROUP MEETING

October 1, 2026

9:00 a.m. – 4:00 p.m. CT

Virtual

SUMMARY OF MOTIONS AND ACTION ITEMS

Motions

MOTION: To approve the Consent Agenda. Cindy Ireland (APSC) motioned/Adam McKinnie (MOPSC) seconded. *The motion passed unanimously*.

MOTION: The Cost Allocation Working Group's opinion is that the RSC has authority over the Schedule 11 rate aspect of RR791 – PALS and recommends the Regional State Committee confirm that determination. Matt Alvarado (IUC) motioned/Steve Olea (AZCC) seconded. *The motion passed with 14 in favor, one abstention (MOPSC).*

MOTION: CAWG recommends that the RSC exercise its cost allocation authority for Schedule 11 transmission rates to revise RR 791 to change the rates PALS customers pay to off-peak transmission rates. CAWG further recommends that MOPC and the SPP Board of Directors consider changing RR791 to the off-peak transmission rates for all other rate schedules that PALS pay. Justin Grady (KCC) motioned/Shawnee Claiborn-Pinto (PUCT) seconded. *The motion passed with six in favor (IUC, KCC, LPSC, MNPUC, NMPRC, PUCT), two opposed (APSC, NDPSC), and seven abstentions (AZCC, MOPSC, OCC, SDPUC, UTPSC, WYPSC, NPRB).*

MOTION: The CAWG recommends the RSC approve the revisions to Business Practice 8100 reflected in RR791. Matt Alvarado (IUC) motioned/Lane Sisung (LPSC) seconded. *The motion passed unanimously.*

MOTION: The Cost Allocation Working Group recommends the Regional State Committee approve RR814 – Load Safe Harbor Limit, which includes a load safe harbor limit of $21,250,000 for load interconnection of 50MW or larger. This would be effective for load interconnection studies initiated after FERC approval. Justin Grady (KCC) motioned/Shawnee Claiborn-Pinto (PUCT) seconded. *The motion passed with six in favor (IUC, KCC, LPSC, NMRPC, PUCT, NPRB), four opposed (APSC, MOPSC, NDPSC, SDPUC), and five abstentions (AZCC, MNPUC, OCC, UTPSC, WYPSC).*

Action Items

1. Submit voting rationale for RR791 (PALS) to Angela, including the basis for any opposition or abstention vote regarding the proposed Schedule 11 rate treatment.

COST ALLOCATION WORKING GROUP MEETING

October 1, 2026

9:00 a.m. – 4:00 p.m. CT

Virtual

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)

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

Cindy Ireland – Arkansas Public Service Commission (APSC)

Jason Chaplin – Oklahoma Corporation Commission (OCC), *proxy Trent Campbell (after 1:00 pm)*

Jon Thurber – South Dakota Public Utilities Commission (SDPUC)

Justin Grady – Kansas Corporation Commission (KCC)

Kara Kolkman – Wyoming Public Service Commission (WYPSC)

Lane Sisung – Louisiana Public Service Commission (LPSC)

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*

Gerald Deaver – Colorado Public Utilities Commission (COPUC) was not present.

Agenda Item 2 – CONSENT AGENDA

The consent agenda included the agenda for the current meeting, the meeting minutes from the September 2-3, 2026 meeting, the CAWG Workplan, and RR797 – Submission Date Alignment.

> **MOTION:** To approve the Consent Agenda. Cindy Ireland (APSC) motioned/Adam McKinnie (MOPSC) seconded. *The motion passed unanimously*.

Agenda Item 3 – 2027 MEETING DATES

Angela Sartori (SPP) reviewed the 2027 meeting schedule. The group discussed and agreed that all 2027 meetings will begin at 9:00 a.m. CT/8:00 a.m. MT.

Agenda Item 4 – REVIEW OF PAST ACTION ITEMS

Angela Sartori (SPP) reviewed the status of open action items and the group discussed the closure of several items.

Agenda Item 5 – FERC UPDATE

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

Agenda Item 6 – RESOURCE ADEQUACY UPDATE

a. **Supply Adequacy Working Group:** Justin Grady (KCC) noted that SAWG approved several items at its September 23–24 meeting, including RR791, RR797, and updates to winter season testing criteria. He also provided an update on the LOLE study, noting that the 2030 PRM recommendation is expected to go to SAWG for approval in October.

b. **REAL Team:** Shawnee Claiborn-Pinto (PUCT) provided an update from the September 14th REAL meeting, noting that the group discussed options for a seasonal resource adequacy construct. The group directed Staff to continue evaluating an annual RA construct in coordination with the COMPASS outage-coordination effort.

Agenda Item 7 – ACTION ITEM: STAFF POSITION ON RSC AUTHORITY ON PALS

In response to an action item, Justin Hinton (SPP) discussed whether the RSC's authority over cost allocation also includes authority over the changes made to Schedule 11 transmission rates charged to PALS customers. Staff explained that it agrees that the RSC's authority over cost allocation is nuanced, but ultimately, SPP Staff does not believe the rate design of transmission rates in Schedule 11 is within the cost allocation authorities found in Section 7.2 of the Bylaws. Notwithstanding this position, SPP does not object to the CAWG and the RSC considering and voting on the Schedule 11 changes if it so desires. Members discussed how Schedule 11 rate design changes impact ultimate cost allocation decisions of the RSC and therefore, any changes to Schedule 11 rate design is within the RSC's cost allocation authority.

> **MOTION:** The Cost Allocation Working Group's opinion is that the RSC has authority over the Schedule 11 rate aspect of RR791 – PALS and recommends the Regional State Committee confirm that determination. Matt Alvarado (IUC) motioned/Steve Olea (AZCC) seconded. *The motion passed with 14 in favor, one abstention (MOPSC).*

Agenda Item 8 – RR791 – PRICE ADAPTIVE LOAD SERVICE (PALS)

Steve Davis and Jonathan Hathhorn (SPP) provided an overview of the Price Adaptive Load Service (PALS), a new flexible, non-firm transmission service available to any load, including large loads. Emon Mahony (SPP) discussed PALS market participation and its role in SPP's response to FERC's Section 206 show-cause proceeding. The group discussed whether PALS should be subject to the existing on-peak and off-peak non-firm Point-to-Point rates for the hour in which the PALS customer takes service or whether the rate should only be based on off-peak non-firm Point-to-Point rates. Certain members noted that at times PALS would be considered a lower priority for curtailment purposes compared to other non-firm Point-to-Point customers, and therefore, questioned whether PALS paying the existing on-peak rate structure appropriately reflects PALS usage given its $25/MWh bid cap and curtailment requirements. Staff noted that stakeholder input ultimately supported retaining the on-peak and off-peak Point-to-Point transmission service rates across applicable schedules and that departing from the already existing rate design would require clear justification for treating PALS customers differently from other similarly situated transmission customers.

> **MOTION:** CAWG recommends that the RSC exercise its cost allocation authority for Schedule 11 transmission rates to revise RR 791 to change the rates PALS customers pay to off-peak transmission rates. CAWG further recommends that MOPC and the SPP Board of Directors consider changing RR791 to the off-peak transmission rates for all other rate schedules that PALS pay. Justin Grady (KCC) motioned/Shawnee Claiborn-Pinto (PUCT) seconded. *The motion passed with six in favor (IUC, KCC, LPSC, MNPUC, NMPRC, PUCT), two opposed (APSC, NDPSC), and seven abstentions (AZCC, MOPSC, OCC, SDPUC, UTPSC, WYPSC, NPRB)*
>
> **MOTION:** The CAWG recommends the RSC approve the revisions to Business Practice 8100 reflected in RR791. Matt Alvarado (IUC) motioned/Lane Sisung (LPSC) seconded. *The motion passed unanimously.*

Agenda Item 10 – CARE TEAM UPDATE

Justin Grady (KCC) reviewed the recent recommendations from the CARE Team and provided an overview of how the components work together.

Agenda Item 11 – FERC SHOW CAUSE: LOAD SAFE HARBOR LIMIT

Charles Locke (SPP) provided an overview of RR814 – Load Safe Harbor Limit, which addresses cost-shift risk mitigation, load materialization, and financial security concerns identified in FERC's Section 206 show-cause order. The proposal would modify the cost allocation treatment for network upgrades associated with load delivery point additions or modifications under Attachments AQ, AX, and BA. Under the proposed framework, upgrades would be base plan funded up to a "load safe harbor limit," with costs above the limit directly assigned to the requesting Transmission Customer. The proposed safe harbor would be the lower of $500,000/MW of requested load or an aggregate of $25 million per delivery point request, with

the direct assignment supported by financial security that declines as the associated asset depreciates. Staff presented historical data supporting the $500,000/MW limit.

The group discussed the proposed 40-year maximum direct assignment period and whether it aligns with typical large-load contractual arrangements, which may be closer to 20 years. The group also discussed the $500,000/MW and $25 million limits and whether existing customers should fund a portion of upgrades associated with new load and noted concerns regarding potential cost shifts to existing ratepayers.

Jim Flucke (Evergy) and Beverly Laios (AEP) reviewed the joint utility comments raising concerns regarding the $25 million cap, applicability to all loads, the 40-year term, prospective application, annual review, and transparency of revenue-requirement calculations.

A motion was made to recommend RR814 with a safe harbor of the lower of $500,000/MW or $25 million. A substitute motion was offered to apply the framework only to loads of 50 MW or greater and was revised to establish a $21.25 million aggregate limit and apply prospectively to applicable studies initiated after FERC approval. Members discussed whether studies could be aggregated to prevent requests from being structured below the 50 MW threshold and whether the substitute would address the FERC show-cause concerns. Staff indicated that the approach could be characterized as responsive to the show-cause order while acknowledging concerns regarding the removal of the per MW limit and the establishment of a bright-line MW level for direct assignment applicability. Staff noted that the MW bright-line would incentivize load projections in the delivery point study processes that are unrealistically low and the removal of the per-MW limit would both eliminate incentives for selection of cost-effective interconnection locations and provide no cost shift mitigation for load requests below 50 MW.

> **MOTION:** The Cost Allocation Working Group recommends the Regional State Committee approve RR814 – Load Safe Harbor Limit, which includes a load safe harbor limit of $21,250,000 for load interconnection of 50MW or larger. This would be effective for load interconnection studies initiated after FERC approval. Justin Grady (KCC) motioned/Shawnee Claiborn-Pinto (PUCT) seconded. *The motion passed with six in favor (IUC, KCC, LPSC, NMPRC, PUCT, NPRB), four opposed (APSC, MOPSC, NDPSC, SDPUC), and five abstentions (AZCC, MNPUC, OCC, UTPSC, WYPSC)*

Agenda Item 12 – WORKING GROUP UPDATES

No working group updates were identified.

Agenda Item 13 – UPCOMING ITEMS FOR RSC

ITEM	CAWG STATUS	ANTICIPATED CAWG APPROVAL	ANTICIPATED RSC APPROVAL
RR743 – CONE Process	Approved	✓	Nov 2026

RR791 – Price Adaptive Load Service	Approved	✓	Nov 2026
RR792 - Business Practice 8200 Effective Load Carrying Capability	Approved	✓	Nov 2026
RR793 – Onsite Fuel	Approved	✓	Nov 2026
RR797 – Attachment AA Submission Date Alignment	Approved	✓	Nov 2026
RR798 – Intermediate Planning Cost Allocation	Approved	✓	Nov 2026
RR814 – FERC Show Cause Order: Load Interconnection Cost Responsibility – Load Safe Harbor Limit	Approved	✓	Nov 2026
CPP-10 Public Policy Cost Allocation RR	Discussion	TBD	Feb 2027
RR807 – Storage Reliability Flexibility Initiative	Education	4Q2026	Feb 2027
2030 East Planning Reserve Margin		Nov 2026	Feb 2027
WE EXPAND Cost Allocation		TBD	TBD
CARE Recommendations		2027	2027

Agenda Item 19 – ACTION ITEMS

1. Submit voting rationale for RR791 (PALS) to Angela, including the basis for any opposition or abstention vote regarding the proposed Schedule 11 rate treatment.

Agenda Item 20 – UPCOMING MEETINGS

MONTH	DATE	START TIME	FORMAT
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 21 – ADJOURNMENT

Chair Krajewski adjourned the meeting at 2:55 pm CT.

Respectfully Submitted,

Angela Sartori
CAWG Staff Secretary