



COST CONTROL & ALLOCATION REVIEW & EVALUATION TEAM MEETING

June 15, 2026

8:00 a.m. – 5:00 p.m. CT

June 16, 2026

8:00 a.m. – 12:00 p.m. CT

Hilton Chicago O'Hare Airport | Chicago, IL

SUMMARY OF MOTIONS AND ACTION ITEMS

Motions

The CARE Team approves the meeting minutes from May 6, 2026. Commissioner Randel Christmann (NDPSC) motioned/Commissioner Justin Tate (APSC) seconded. *The motion passed unanimously.*

Action Items:

1. Staff will finalize the cost-containment recommendation by preparing the final recommendation including a financial package and a definition for high-value projects, while also developing clear performance metrics and public dashboard expectations; additionally, Staff will coordinate with the PUCT to align remaining details so the full package can be brought to the CARE team for approval in July.
2. Staff will explore options for how large load costs can be recovered from the appropriate cost causers.
3. Staff will conduct an analysis on removing large loads and spot loads to confirm whether regionwide benefits still hold.
4. Staff will update the ITP Base Reliability Summer Peak Year 2 Forecast (Slide 8) to present data in regional/deliverability-area groupings.
5. Staff will complete a megawatt-mile analysis and a megawatt-shift analysis (Slide 27) on the draft overlay for a future CARE meeting.
6. CARE team members will inform staff of the specific benefits they want included in the analysis.
7. Staff will research industry standards related to the large-load threshold.

8. Staff will evaluate the benefits of a South overlay and how those benefits extend to the Central and North regions, with timing to be confirmed (July or August).



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MINUTES

Agenda Item 1 – CALL TO ORDER

Chair Steve Wright called the meeting to order at 8:04 a.m. CT and welcomed everyone.

Agenda Item 2 – ADMINISTRATIVE ITEMS

A. Approval of Minutes

MOTION: The CARE Team approves the meeting minutes from May 6, 2026. Commissioner Randel Christmann (NDPSC) motioned/Commissioner Justin Tate (APSC) seconded. *The motion passed unanimously.*

B. Review of Action Items

Kim O'Guinn (SPP) reviewed open action items from previous meetings, and noted the following:

- Staff will provide clarification on how lower-voltage facilities support the higher-voltage overlay, with plans to present this in August along with supporting analysis.
- Staff will prepare a communication summarizing system growth following the transmission planning summit, also scheduled for the August meeting.
- Staff will explain how to capture reliability benefits when certain planning tools are not used, as part of an educational segment planned for August.
- A memo will be developed outlining recent reliability-organization activities related to large load issues, which will be shared once complete.
- The group will consider a potential "no-go" or veto mechanism within the cost allocation framework, with further discussion occurring during current and upcoming sessions.

- There will be follow-up with the regional oversight body regarding sub-regional deliverability areas, with discussions planned with the chair and commissioners.
- Staff will review the performance monitor report and report back during this meeting, with designated participants joining the discussion.
- Reports on large load growth will be provided by multiple regional entities during today's agenda.
- CARE team members were asked to review the ATRR presentation and share any questions or feedback; no additional feedback was received.

C. Agenda Review

Steve Wright (SPP Board) provided a review of the meeting agenda.

Agenda Item 3 – COST CONTAINMENT PROCESS FOLLOW UP

Tony Green (SPP) presented an overview of SPP's project tracking and reporting processes, including the quarterly project tracking report used to monitor upgrade status, cost variances, and in-service date delays. Mr. Green compared SPP's reporting approach to the Texas transmission monitor model, noting that while SPP's reports provide portfolio-level transparency across a multi-jurisdictional footprint, the Texas model includes more detailed construction-level oversight through an independent monitor. The group discussed opportunities to enhance reporting for high-value projects, including separate reporting for 765 kV projects, improved dashboards, and additional construction-related data. Members also considered the benefits and challenges of an independent monitor versus enhanced staff-driven reporting, emphasizing the need for meaningful performance metrics, greater transparency, and clear accountability for cost overruns and schedule delays. Staff indicated that implementing the proposed enhancements would require additional personnel resources but would be significantly less complex than establishing a full independent monitoring program.

An action item was established for Staff to finalize the cost-containment recommendation by preparing a recommendation to include a financial package and a definition for high-value projects, while also developing clear performance metrics and public dashboard expectations; additionally, Staff will coordinate with the PUCT to align remaining details so the full package can be brought to the CARE team for approval in July.

Agenda Item 4 – COST ALLOCATION

A. Survey Recap & Direction

Kayla Hahn (MOPSC) reviewed the May CARE Team survey results, which showed support for a hybrid cost allocation approach that shares costs between the region and

deliverability areas, with a preference for the region bearing a majority share of costs. The group also discussed survey results related to large load policy, which indicated support for a framework that could include financial security requirements, minimum charges, and some form of incremental cost responsibility. However, members raised concerns regarding implementation details, cost causation, potential double recovery, and load forecasting uncertainty. Staff noted the need for additional work to define a large load policy, evaluate implementation options within SPP's jurisdiction, clarify treatment of existing and future loads, and consider forthcoming FERC guidance on large load issues.

B. ATRR Scenarios

Casey Cathey (SPP) provided an overview of the key policy decisions that CARE will need to consider, grouping them into three categories: General Cost Allocation Revisions, Non-Materialized Load Protection, and Review Past Forecast and Outcomes (Look-Back Analysis). Staff indicated these policy areas will require future CARE direction and eventual recommendations.

Sunny Raheem and Brooke Keene (SPP) presented a detailed Annual Transmission Revenue Requirement (ATRR) scenario modeling using a scalable \$10 billion portfolio proxy, illustrating how different cost allocation levers impact ATRR distribution across deliverability areas. The analysis used several “toggles” to show how different assumptions change transmission-cost outcomes. The toggles tested energy weighting, Deliverability Area (DA) weighting, North load reduction, DA weighting plus North reduction, and delayed load arrival.

Most participants said the new analysis did not change prior survey preferences; however, several emphasized that more definitive, portfolio-level analysis is needed before choosing a specific percentage split. The group also discussed whether the overlay behaves as a truly regional grid enhancement or as localized high-voltage additions serving large loads; Staff will run sensitivities that remove spot loads to assess whether regionwide benefits still hold. Staff will also complete a megawatt mile analysis and a megawatt shift analysis (Slide 27) on the draft overlay for a future CARE meeting.

Aligning Planning Demand Forecast with Cost Allocation

Sonny Raheem (SPP) presented a proposal to align planning load forecasts with cost allocation in order to strengthen accountability for transmission investments. The concept would link the forecasts submitted in planning models to the cost responsibility ultimately assigned, helping ensure that entities driving expected load growth bear an appropriate share of associated transmission costs. Staff reviewed how planning forecasts shape resource-adequacy assessments, generation additions, and transmission needs, noting the distinction between firm base-reliability forecasts and incremental spot-load forecasts. Because unmaterialized load can shift regional cost burdens to other areas, several members emphasized the importance of better connecting forecast inputs to cost outcomes.

The group discussed how different load-forecasting processes feed into planning and emphasized the need for consistent standards and timing if forecasts are tied to cost allocation. Rapid movement of spot loads into firm service highlighted the need for clearer criteria to define confidence levels. Members considered assigning cost based on the higher of forecast or actual load to discourage under-forecasting, but concerns were raised that this could encourage overly conservative forecasts and increase under-build risk, especially for smaller entities. Implementation challenges were noted, including differences between single-peak forecasts and the twelve-coincident-peak metric used for billing. An action item was established for Staff will update the ITP Base Reliability Summer Peak Year 2 Forecast (Slide 8) to present data in regional/deliverability-area groupings.

C. Cost Allocation Methodology Rubric

Sarah Bockelman (SPP) presented the revised cost allocation rubric designed to compare cost-allocation options against shared guiding principles. The tool applies weighted 1-3-5 scoring focused on three primary criteria: cost alignment, regional balance and responsible growth, and long-term system fit. Implementation and regulatory considerations will serve as validation checks once scoring is complete. Participants clarified terminology, confirmed which facilities fall under each option, and agreed to separate firm-load and spot-load protections into distinct items for independent evaluation. Updated materials will reflect these clarifications, and the tool may be used to identify top-scoring policy paths for continued development at a future meeting.

D. CARE Team Survey

1. If costs are allocated for an EHV overlay on a deliverability area basis, should there be a lookback mechanism after x number of years?

Options	Number of Votes	Percentage
Yes	11	73.3%
No	4	26.7%

Participants discussed that support for such a mechanism depends heavily on its purpose, structure, and how the results would be used. It was clarified that the mechanism would only be intended to review whether costs and benefits were properly assigned, and to change allocation.

2. Should a large load cost allocation policy apply to new large loads in the 2024 and 2025 ITPs?

Options	Number of Votes	Percentage
Yes	5	28%
No	13	72%

Participants noted the need to remove the word “new,” since the loads being referenced were already firm. The polling results showed that most voting members did not support applying the policy to these planning cycles, though some participants had voted in favor. A few individuals clarified their reasoning, noting uncertainty about whether the question was even meaningful if the policy would ultimately be moot, while others expressed confusion about the terminology and scope of the proposed policy. Those who voted yes explained that they wanted to ensure the issue was covered regardless of future applicability. It was acknowledged that the question itself was difficult to interpret given the ongoing ambiguity around what a large-load policy would ultimately contain and when it should apply.

3. Should a large load cost allocation policy apply to new large loads assumed in 2026 ITP and forward?

Options	Number of Votes	Percentage
Yes	18	100%
No	0	0%

Responses indicate broad agreement that a large load policy should apply for future models, even though the details of how the policy would function remain to be developed. It was observed that the next step will require more detailed work to determine how the policy should be structured and implemented.

4. Which of the following should be considered large loads? (select all that apply)

- **Aggregation of oil/gas**
- **Data centers**
- **Manufacturing/industrial loads**
- **Other**

Options	Number of Votes
Data Centers	16
Aggregation of oil/gas	12
Manufacturing/industrial load	13
Other	9

Discussion highlighted that many participants favored defining large loads by a megawatt-based threshold, rather than by industry type, to avoid discriminatory treatment and ensure consistent application. Several participants noted that different types of large users exist across the region and that electrified agricultural operations or other emerging uses may also warrant consideration. Others expressed concern about the practicality of aggregating many small users into a single category, citing complexities in defining boundaries and assigning responsibility. There was broad interest in establishing a clear, uniform threshold and exploring whether it should vary by system size. Participants also emphasized the value of reviewing how other entities define large loads and recommended additional education on national reliability efforts related to this topic. The discussion concluded with agreement that more analysis is needed to refine threshold options and develop a policy approach capable of addressing both large individual loads and significant aggregated load growth.

5. For cost allocation purposes, do you prefer:

- **Regional-only approach: costs borne by entire region**
- **Deliverability areas-only approach: costs borne by deliverability areas**
- **Both: Costs shared between the region and deliverability areas**

Options	Number of Votes	Percentage
Regional only	4	22%
Deliverability area only	1	6%
Both	13	72%

Participants who supported regional only emphasized consistency with existing methodology and cautioned against treating the overlay as less regional than underlying lines. Others supported a shared approach but stressed that the rationale and method for determining the split are more important than the split itself, noting that data should drive the decision and that a full regional approach could still be appropriate if analysis shows

predominantly regional benefits, especially when paired with mechanisms such as forecast accountability or an energy billing factor. The discussion concluded with agreement that targeted analysis is needed to justify and calibrate any sharing approach.

6. Should CARE pursue the load forecast and cost allocation alignment option as a way to create stranded cost protection?

Options	Number of Votes	Percentage
Yes	16	89%
No	2	11%

Supporters argued for linking cost causation to forecasted commitments so that entities are accountable for the load they sign up for, with costs assigned accordingly through a commitment structure. Concerns raised by those opposed included the risk of under-forecasting and the need to focus limited resources on core activities; some questioned whether reviewing forecast policy falls within scope at this time. Overall, the group agreed that any policy direction should be informed by data and accompanied by clear accountability and implementation details.

7. Should there be a split between the region and deliverability area until there is a firm commitment to build in the north, after which cost allocation would revert to Highway Byway?

Options	Number of Votes	Percentage
Yes	6	35%
No	11	65%

The group discussed whether to adopt a temporary cost-allocation split between the region and deliverability areas until firm commitments to build in the north are secured, after which the approach would revert to Highway-Byway. The poll was framed as a quick temperature check given the many unknowns. One participant supported the option to allow further development, while another opposed it, emphasizing the need to align costs with benefits and cautioning against returning to a voltage-based method that could recreate past misalignments. Another participant supported the split because the project mix is still evolving and future northern needs could shift cost-allocation considerations. Additional concerns were raised about equity in phased buildouts, where some areas would bear more upfront costs than others. A participant from the northern area, however, remained skeptical that the proposal was defined well enough to merit continued work.

Agenda Item 5 – LARGE LOAD TARIFFS

A. Basin Electric

JP Maddock (Basin Electric) presented an overview of the cooperative's Large Load Program, which is designed to accommodate large new loads while protecting existing members from financial and reliability impacts. The program uses a phased onboarding process that includes initial screening, detailed studies, and construction, with large load customers responsible for study costs, transmission upgrades, interconnection facilities, and resource adequacy obligations associated with serving their load. Using a hypothetical example, Maddock explained how Basin evaluates load requests and develops project-specific solutions while maintaining flexibility to address unique circumstances. Discussion focused on Basin's policy that large loads should bear the costs they cause, including network upgrades, while ensuring existing customers are protected from incremental costs associated with new large load development.

B. Oklahoma Gas & Electric

Dawn Cash (OG&E) provided an overview of the company's developing extra-large load tariff, which is expected to be filed by the end of the month. Ms. Cash noted that the tariff is intended to align with many of the same objectives being discussed by CARE, including protecting existing customers and assigning costs to those that cause them. Ms. Cash described a layered framework that includes preliminary service agreements, customer funding of upfront infrastructure costs, long-term service contracts with minimum bill provisions, and financial security requirements such as letters of credit, cash deposits, or parental guarantees. Emphasis was placed on the importance of balancing growth and economic development with customer protections and encouraged continued consideration of alignment across stakeholder efforts while remaining mindful of potential unintended consequences.

Agenda Item 7 – ACTION ITEM REVIEW

1. Staff will finalize the cost-containment recommendation by preparing the final recommendation including a financial package and a definition for high-value projects, while also developing clear performance metrics and public dashboard expectations; additionally, Staff will coordinate with the PUCT to align remaining details so the full package can be brought to the CARE team for approval in July.
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Agenda Item 8 – NEXT STEPS

Chair Wright discussed the upcoming meeting schedule.

Agenda Item 10 – ADJOURNMENT

Chair Wright adjourned the meeting at 11:45 a.m. CT.