

**SOUTHWEST POWER POOL
COST ALLOCATION WORKING GROUP MEETING**

March 11, 2026
8:30 am – 4:00 pm CT

Hotel Theo | New Orleans, LA

SUMMARY OF MOTIONS AND ACTION ITEMS

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

MOTION: The Cost Allocation Working Group recommends that the Regional State Committee approve the revisions set forth in Attachments J and AY and detailed in RR744. This recommendation is contingent upon approval by TWG, provided no substantive changes are made. Cindy Ireland (APSC) motioned/Lane Sisung (LPSC) seconded. *The motion passed via voice vote with one opposed (PUCT).*

MOTION: The Cost Allocation Working Group recommends the Regional State Committee approve the initial setting of the Planning Reserve Margin of 17% Summer, 38% Winter for 2030 and 2032 based on Staff's recommendation. Justin Grady (KCC) motioned / Shawnee Claiborn-Pinto (PUCT) seconded. *The motion passed with 10 votes in favor, one opposed (IUC), and one abstention (MOPSC).*

ACTION ITEMS:

1. Staff to provide education on scarcity pricing in the integrated marketplace.

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MINUTES

AGENDA ITEM 1 – CALL TO ORDER AND ADMINISTRATIVE ITEMS

Chair John Krajewski (NPRB) called the meeting to order at 8:30 AM Central Time and a quorum was established. Chris Hanson (NDPSC) held proxy for Victor Schock (NDPSC) and Ben Kodres O'Brien (MNPUC) held proxy for Lise Trudeau (MNPUC).

AGENDA ITEM 2 – CONSENT AGENDA

The consent agenda included the agenda for the current meeting, the meeting minutes from February 12, 2026, and RR749 – NTC Commitment Timing

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

AGENDA ITEM 3 – ACTION ITEMS

Angela Sartori (SPP) reviewed the action list and noted that, in response to a request from the March meeting, education on zonal placement issues had been added to the current agenda. Ms. Sartori noted that coordination was underway to provide the group with education on how cost estimates are firmed up in the NTC-C process.

AGENDA ITEM 4 – CAWG WORKPLAN

Chair Krajewski reviewed the workplan and provided updates, including the Cost of New Entry (CONE) initiative, noting that a small working group was formed. The group includes SPP staff, representatives from the SPP Market Monitoring Unit, and stakeholder representatives, and will focus on issues related to a revision request addressing the methodology for calculating CONE. Updates from the group will be shared with the Supply Adequacy Working Group and CAWG to ensure transparency. Mr. Krajewski noted that a small group was chosen to efficiently work through technical details.

Angela Sartori indicated that a CAWG Onboarding document was under final review and would be provided to the new members soon.

AGENDA ITEM 5 – FERC UPDATE

Justin Hinton (SPP Staff) reviewed the dockets currently pending before FERC.

AGENDA ITEM 6 – RESOURCE ADEQUACY UPDATE

- a. **SAWG Report** – Justin Grady (KCC) reviewed issues before the Supply Adequacy Working Group and recent approvals.

- b. **REAL Team Report** – Shawnee Claiborn Pinto (PUCT) stated that a REAL Team update would be provided at the April meeting.

AGENDA ITEM 7 – CARE TEAM UPDATE

Justin Grady (KCC) provided an update on the March Cost Control and Allocation Review and Evaluation (CARE) Team and clarified that the team does not have decision-making authority and serves only to develop recommendations. If the CARE Team proposes or supports changes to cost allocation methodologies, those proposals would be brought to CAWG for consideration and ultimately to the RSC for approval. Mr. Grady noted that current CARE discussions are focused on 765 kV cost allocation, but any changes at that voltage level could prompt a broader review of cost allocation for 345 kV and lower voltage facilities. He added that CAWG would likely play a significant role in evaluating any implications for those lower-voltage facilities.

AGENDA ITEM 8 – CPPTF UPDATE: GRID-LL

Sunny Raheem (SPP) provided an update on CPPTF activities supporting the development of the Consolidated Planning Process (CPP) Phase 2 policy and introduced a high-level approach for GRID-LL cost allocation related to large load integration. The group discussion emphasizes the need to define "large load" for effective regional planning and cost certainty, the two main options for large load commitments and the challenges related to stranded costs and the impact of transient large loads on long-term transmission assets.

AGENDA ITEM 9 – RTO EXPANSION CPP GOVERNING LANGUAGE CLARIFICATION

Susanna Padilla (SPP) reviewed the need to establish governing language for the CPP for the RTO Expansion. Ms. Padilla noted that this revision request will establish separate GRID-C for the SPP East Region and the SPP West Region which require CAWG and RSC approval. Approval is expected to be sought from the CAWG in June.

AGENDA ITEM 10 – RR744 – ORDER 1920 COMPLIANCE

Ryan Schoppe (SPP) presented RR744 for approval and summarized stakeholder feedback received to date. It was emphasized that the approval of revisions in Attachment AY reflect those related to cost allocation specifically.

During the discussion, CAWG members raised questions about the absence of language addressing the Regional State Committee approval of the public policy cost allocation

methodology for allocating Long-Term Regional Transmission Projects that provide public policy benefits. SPP staff acknowledged the concern and emphasized the need for CAWG input on the policy. Staff reviewed draft language and highlighted specific sections where feedback is needed. Adam McKinnie (MOPSC) will work with SPP staff to develop proposed language for CAWG consideration in April in order to meet the June 12 compliance filing deadline.

MOTION: The Cost Allocation Working Group recommends that the Regional State Committee approve the revisions set forth in Attachments J and AY and detailed in RR744. This recommendation is contingent upon approval by TWG, provided no substantive changes are made. Cindy Ireland (APSC) motioned/Lane Sisung (LPSC) seconded. *The motion passed via voice vote with one opposed (PUCT).*

AGENDA ITEM 11 – 2025 LOLE STUDY & PLANNING RESERVE MARGIN

Chris Haley (SPP) reviewed the recommendation from the Supply Adequacy Working Group (SAWG) which was based on the seven-year Planning Reserve Margin (PRM) analysis. Mr. Haley noted that Staff could endorse this path but provided context on the original recommendation of 17% for summer and 38% for winter for both 2030 and 2032. He explained that the seven-year PRM outlook was initially intended to signal trends in the PRM with a final adjustment occurring within a four-year window. The seven-year analysis does not necessarily dictate the final PRM values, as adjustments could be made based on emerging conditions. Staff considered several uncertainties in their initial recommendation, including potential changes in resource mix and uncertainties around load build-out and the integration of large loads, which could impact the Loss of Load Expectation (LOLE) study. Justin Grady moved to approve Staff's recommendation stating that decreasing the PRM could send the wrong signal.

MOTION: The Cost Allocation Working Group recommends the Regional State Committee approve the initial setting of the Planning Reserve Margin of 17% Summer, 38% Winter for 2030 and 2032 based on Staff's recommendation. Justin Grady (KCC) motioned / Shawnee Claiborn-Pinto (PUCT) seconded. *The motion passed with 10 votes in favor, one opposed (IUC), and one abstention (MOPSC).*

AGENDA ITEM 12 – RR745 – RTO EXPANSION RESOURCE ADEQUACY LANGUAGE

Ashlyn Collie (SPP) presented the PRM for RTO expansion, proposing 19% for summer 2027 and 40% for winter 2027-2028. Ms. Collie noted the LOLE study informed these reserve margins and incorporated non-firm import assistance. Stakeholder feedback showed unanimous support for the proposed planning reserve margins and resource adequacy requirements. John Krajewski noted that due to the timing of the RTO Expansion "go-live" and the next CAWG meeting, a special CAWG meeting would be held on April 23, 2026 to give the newer Western members time to adequately review the revision request prior to a vote.

Mr. Krajewski also noted that the language added by SAWG regarding non-firm imports was an Eastern issue and would be voted on by CAWG members in the Eastern Interconnection at the April 2, 2026 meeting.

AGENDA ITEM 13 – AECl/AMEREN COST AND USAGE AGREEMENT

Clint Savoy (SPP) provided a status update on the Missouri Multi-Entity New Transmission (MoMENT) project, including current status, schedule changes, and next steps. The project is a joint effort involving SPP, Ameren, Associated Electric (AECl), and collaboration with Evergy for facilities expected to interconnect to an Evergy substation in Missouri. Mr. Savoy reported that weekly meetings have been held with AECl and Ameren to negotiate cost-sharing arrangements. More recently, Evergy has been included in these discussions to address details of cost estimates and determine whether joint ownership or a divided ownership structure is feasible. The portion of the project under SPP's tariff would be distinct from segments funded by other entities. The segment under discussion for cost-sharing runs from the Stillwell substation to the Clinton substation. Regarding the project timeline, Staff had initially aimed to finalize the cost-sharing agreement for review and approval in the April/May quarterly committee meetings. Since the agreement is not yet finalized, the timeline has been extended to the July/August quarterly meetings to allow additional time for stakeholder review and ensure alignment with calculated benefits. The team is also evaluating the appropriate mechanism for formalizing the cost-sharing arrangement, whether through a costing usage agreement or an alternative vehicle.

AGENDA ITEM 14 – SAFE HARBOR REVIEW

Justin Hinton (SPP) provided a brief review of the Safe Harbor informational filing, which SPP submits each year as required when the FERC approved the original cost allocation methodology in 2005. The annual filing evaluates the average cost of network upgrades and the effectiveness of the \$180,000/MW Safe Harbor threshold. The annual filing also reports on any Base Plan Funding waiver requests and any Regional Cost Allocation Review performed. During the reporting period, 1,179 service requests resulted in transmission service, with an average network upgrade cost of about \$19,322 per MW. Most requests either required no upgrades or had costs below the \$180,000/MW threshold. Since 2005, seven waiver requests have been granted, with none in the past year. Staff also noted that the Safe Harbor threshold remains reasonable based on statistical analysis of upgrade cost data.

AGENDA ITEM 15 – ZONAL PLACEMENT EDUCATION

In response to an action item, Charles Locke (SPP) provided education on the Zonal Placement Process, the Zonal Placement Process under the HITT C1 initiative, and ongoing issues. After the presentation, it was determined that this item could be removed from the action item list.

AGENDA ITEM 16 – SIR 788 INTERMARKET OPTIMIZATION

Jacob Strauss (SPP) discussed the development of an Intermarket Optimization (IMO) framework that would provide a coordinated Real-Time (RT) process between SPP and an adjacent market to facilitate energy transfers initiated by market operators. The SIR788 effort is focused on developing a baseline IMO architecture designed to be modular and extensible, allowing it to serve as a foundation for future intermarket integrations. Preliminary analysis indicates the IMO could generate approximately \$20 million per year in benefits. Meeting attendees questioned how this initiative relates to RSC authority and Staff indicated that this was informational education in the event any RSC related issues may arise in the development of this initiative.

AGENDA ITEM 17 - WORKING GROUP UPDATES

Adam McKinnie (MOPSC) provided an update from the recent SPP–MISO Interregional Planning Stakeholder Advisory Committee (IPSAC) meeting held the previous Friday. During the meeting, stakeholders advanced several projects identified in the 2024 study that span MISO South and SPP regions, including areas in Oklahoma, Arkansas, Texas, and Louisiana. Comments on the study and the proposed projects are due in early April. Mr. McKinnie also noted that OMS has scheduled a call the following week to discuss the projects further.

AGENDA ITEM 18 – UPCOMING ITEMS FOR RSC

Item	CAWG Approval	May-26	Aug-26	Oct-26
RR744 - Order 1920 Compliance	3/11/2026	V		
RR744 – Order 1920 Compliance (Public Policy Cost Allocation)		V		
RR745 – RTO Expansion Resource Adequacy Language		V		
Non-Firm Import Language for Eastern Interconnection		V		
2025 LOLE Study/PRM Recommendation	3/11/2026	V		
Western Cost Allocation Subregions		V		
AECI/Ameren Cost Usage Agreement			V	
RTO Expansion CPP Governing Language Clarification			V	
RR688 – ERAS Expansion			V	
RR743 – CONE Process			V	
RRXXX – Price Adaptive Load Service				V

AGENDA ITEM 19 – ACTION ITEMS

1. Staff to provide education on scarcity pricing in the integrated marketplace.

AGENDA ITEM 20 – UPCOMING MEETINGS

MONTH	DATE	START TIME	FORMAT
April	Thursday, April 2, 2026	9:00 am CT	virtual
April	Thursday, April 23, 2026	9:30 am CT	virtual
May	Friday, May 15, 2026	9:00 am CT	virtual
June	Thursday, June 11, 2026	8:30 am local	in-person (Madison, WI)
July	Wednesday, July 8, 2026	9:00 am CT	virtual
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	TBD	in-person (Denver, CO)

AGENDA ITEM 21 – ADJOURNMENT

Chair Krajewski adjourned the meeting at 1:37 pm CT.

CAWG MEMBERS

John Krajewski (NPRB), Chair	Jason Chaplin (OCC)
Agata Malek (NMPRC)	Lane Sisung (LPSC)
Adam McKinnie (MOPSC)	Lise Trudeau (MNPUC), proxy Ben Kodres O'Brien
Cindy Ireland (APSC)	Matt Alvarado (IUC)
Greg Rislov (SDPUC)	Shawnee Claiborn-Pinto (PUCT)
Justin Grady (KCC)	Victor Schock (NDPSC), proxy Chris Hanson

MEETING PARTICIPANTS

Adam Schieffer	Al Tamimi	Amy Newton
Agata Malek	Alex Crawford	Andrea Harrison
Ainsley Anderson	Amanda Harker Steele	Angela Sartori

Ashlyn Collie
Austin Baccus
Ben Bright
Ben Kodres-O'Brien
Bernie Liu
Beverly Laios
Bradley Payne
Brian Daschbach
Brian Rounds
Bryan Campbell
Carly Masenthin
Casey Cathey
Charles Hendrix
Charles Locke
Chris Haley
Chris Hanson
Chris Lyons
Christiana Ivanova
Christine Aarnes
Christine Dillard
Cicily McGee
Cindy Ireland
Clint Savoy
Collin Cain
Conor McKenzie
Dan Leisten
Dana Shelton
Darren Prince
Denise Martin
Dennis Constien
Dennis Reed
Diana Gastelum
Don Frerking-SPP
Elliott Hankison

Eric Giddens
Eugene Mauk
Evan Hays
Greg Rislov
Guilherme Alexander
Inaya Zaman
Jacob Strauss
James Peters
Jarred Cooley
Jason Chaplin
Jason Davis
Jason Mazigian
Jeremy Severson
Jeremy Voll
Jessica Burdette
Jessica Meyer
Jim Flucke
Jim Jacoby
John Borgmeyer
John Krajewski
Jon Thurber
Joshua Byrnes
Julie Bissen
Justin Grady
Justin Hinton
Kalun Kelley
Kate Daley
Kristie Fiegen
Lane Sisung
Lee Elliott
Leesa Oakes
Leif Clark
Lise Trudeau
Loren Ditsch

Lottie Jones
Marisa Choate
Matt Alvarado
Matt Jackson
Matthew Harward
Matthew Jackson
Maya Nevels
Meredith Powell
Michael Billinger
Mike Kraft
Mike Wise
Monsherra Blank
Naved Khan
Nick Abraham
Nick Reedy
Nicole Offutt
Olivia Hough
Patti Kelly
Paul Antony
Ramunda Russell
Richard Ross
Robert Pick
Ryan Schoppe
Sarah Bockelmann
Sebastian Smarter
Shawnee Claiborn-Pinto
Steve Gaw
Steve Olea
Sunny Raheem
Susanna Padilla
Teresa Cooper
Trey Davis
Walid Shaikh