

COST ALLOCATION WORKING GROUP MEETING

Thursday, June 11, 2026

8:30 A.M. CT – 4:00 P.M. CT

Monona Terrace Community & Convention Center | Madison, WI

SUMMARY OF MOTIONS AND ACTION ITEMS

Motions

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 to the CARE Team to continue use of base plan funding methodology for transmission improvements identified in the Generator Retirement studies under Attachment AB of the SPP Tariff.

Further, the Cost Allocation Working Group directs the Chair to work with Bates White Consultant to prepare a recommendation memo for the CARE Team and present findings to the CARE at a future meeting. Matt Alvarado (IUC) motioned/Jason Chaplin (OCC) seconded. *The motion passed unanimously.*

MOTION: Cost Allocation Working Group members in the Eastern Interconnection recommend to the Regional State Committee limiting the footprint of the North Subregion to only the area in the Eastern Interconnection, subject to the approval of placing the Western Interconnection area in a western (“Montana”) Subregion.

Transmission rates applied in the North Subregion will be calculated by combining the loads and applicable revenue requirements in the North Subregion with the loads and applicable revenue requirements in the Montana Subregion

Greg Rislov (SDPUC) motioned/Matt Alvarado (IUC) seconded. *The motion passed with 12 votes in favor and one abstention (OCC).*

MOTION: Cost Allocation Working Group members in the Western Interconnection recommend to the Regional State Committee the establishment of two Subregions for allocation of 67 percent of the revenue requirements of Base Plan Upgrades between 100 kV and 300 kV. The two Subregions will correspond to the footprints of the approved Montana Deliverability Area and the Rocky Mountain Deliverability area.

Transmission rates applied in the Montana Subregion will be calculated by combining the loads and applicable revenue requirements in the Montana Subregion with the loads and applicable revenue requirements in the North Subregion. In all other respects, Tariff provisions for Subregions in the SPP West Region will be developed in a manner consistent

with the FERC-approved Tariff provisions for the SPP East Region, including application of the subregional GRID Contribution under the Consolidated Planning Process.

Kara Kolkman (WYPSC) motioned/Agata Malek (NMPRC) seconded. *The motion passed with four votes in favor and two abstentions (ACC and UPSC).*

MOTION: Cost Allocation Working Group members in the Eastern Interconnection recommend to the Regional State Committee the placement of the Eastern Interconnection area of the LAP Zone in the North Deliverability Area. Matt Alvarado (IUC) motioned/Shawnee Claiborn-Pinto (PUCT) seconded. *The motion passed with 12 votes in favor and one abstention (OCC).*

MOTION: Cost Allocation Working Group members in the Eastern Interconnection recommend to the Regional State Committee the placement of the Eastern Interconnection area of the LAP Zone in the Nebraska Subregion. Matt Alvarado (IUC) motioned/Chris Hanson (NDPSC) seconded. *The motion passed with eight votes in favor and five abstentions (LPSC, NMPRC, OCC, PUCT, and NPRB).*

MOTION: The Cost Allocation Working Group recommends the Regional State Committee approves RR786 – CPP Governing Language Clarifications, with the inclusion of the Western Interconnection cost allocation Subregions as approved by CAWG on June 11, 2026. Matt Alvarado (IUC) motioned/Jason Chaplin (OCC) seconded. *The motion passed unanimously.*

Action Items

1. CAWG Chair to work with Bates White to prepare a recommendation memorandum regarding generation retirement cost allocation for presentation to the CARE Team.
2. Staff to continue development of tariff language associated with approved cost allocation subregion configuration recommendations.



COST ALLOCATION WORKING GROUP MEETING

June 11, 2026

8:30 A.M. CT – 4:00 P.M. CT

Monona Terrace Community & Convention Center | Madison, WI

MINUTES

Agenda Item 1 – CALL TO ORDER AND ADMINISTRATIVE ITEMS

John Krajewski (NPRB) called the meeting to order at 8:30 a.m. CT and a quorum was established. Chair Krajewski welcomed the Indiana Utility Regulatory Commission, Chair Andy Zay and welcomed new member Tedann Olsen with the Utah Public Service Commission. 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)

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 May 15, 2026, the CAWG workplan, and RR780 – Aggregate Transmission Service Study Improvements.

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

Agenda Item 3 – GENERATOR RETIREMENTS COST ALLOCATION

John Krajewski reviewed the existing cost allocation methodology for transmission upgrades identified through generator retirement studies, which was approved by CAWG and the RSC in 2020 and applies Base Plan Funding principles based on facility voltage level. He noted that, to date, no generator retirement study has identified transmission upgrades requiring construction, and stakeholders generally agreed that continuing the existing methodology is reasonable given the limited impact of generator retirements and consistency with current planning processes. Chair Krajewski reported that the CARE Team requested a recommendation memorandum and presentation on the issue. He indicated that Bates White would assist in preparing the memorandum based on CAWG's recommendation, with findings to be presented at a future CARE meeting.

MOTION: The Cost Allocation Working Group recommends to the CARE Team to continue use of base plan funding methodology for transmission improvements identified in the Generator Retirement studies under Attachment AB of the SPP Tariff.

Further, the Cost Allocation Working Group directs the Chair to work with Bates White Consultant to prepare a recommendation memo for the CARE Team and present findings to the CARE at a future meeting. Matt Alvarado (IUC) motioned/Jason Chaplin (OCC) seconded. *The motion passed unanimously.*

Agenda Item 4 – CAWG EFFECTIVENESS SURVEY RESULTS

Ben Bright (SPP) reviewed the results of the CAWG effectiveness survey, including member feedback regarding meeting structure, stakeholder engagement, and future work priorities.

Agenda Item 5 – REVIEW OF PAST ACTION ITEMS

Ben Bright (SPP) reviewed the status of open action items. He noted that the generator retirements cost allocation item had been completed and that the economic benefit-cost ratio threshold discussion will be addressed during the June 25 joint CAWG/ESWG session to support a recommendation for CARE's July meeting. Mr. Bright also reported that Staff plans to provide additional education on the evolution of economic analysis in SPP planning at the July CAWG

meeting. He noted that the remaining action item regarding cost allocation subregion configuration would be addressed later in the meeting.

Agenda Item 6 – FERC UPDATE

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

- **RR554** Performance Based Accreditation (PBA)
- **RR568** Effective Load Carrying Capability Accreditation (ELCC)
- **RR668** Expedited Resource Adequacy Study (ERAS)
- **RR665** HITTC1
- **RR684** Consolidate Planning Process (CPP)
- **RR703** Demand Response (DR)/LRE Peak Demand
- **RR744** FERC Order 1920 Compliance

Agenda Item 7 – RESOURCE ADEQUACY UPDATE

- a. Supply Adequacy Working Group:** Justin Grady (KCC) provided an update from the May SAWG meeting.
- b. REAL Team:** Shawnee Claiborn-Pinto (PUCT) noted that there hasn't been a REAL Team meeting since the last CAWG held on May 15, 2026.

Agenda Item 8 – CARE TEAM UPDATE

Justin Grady (KCC) highlighted the upcoming CARE Team meeting on June 16-17, 2026.

Agenda Item 9 – COST ALLOCATION SUBREGION CONFIGURATION

Charles Locke (SPP) reviewed the proposed cost allocation subregion configuration for the SPP West region and associated adjustments to the Upper Missouri Zone (UMZ) and Loveland Area Project (LAP) East areas. He discussed the role of deliverability areas and subregions within the Consolidated Planning Process (CPP) and reviewed analyses related to transmission system integration, designated resource locations, load distribution, and cost allocation considerations. Based on those analyses, SPP staff recommended creation of a Montana Subregion consisting of the Western Interconnection portion of the UMZ and a Rocky Mountain Subregion consisting of the remaining SPP West footprint. Locke also reviewed options for assigning the LAP East area to either the North or Nebraska Subregion.

Steve Sanders (WAPA-UGP) provided additional stakeholder perspective regarding the proposed treatment of UMZ-West. Sanders expressed concerns that placing UMZ-West in a separate Montana Subregion could result in disproportionate cost allocation and rate impacts for a relatively small amount of load and would depart from the historical treatment of zonal costs across the entire UMZ. He reviewed potential mitigation options and noted support among UMZ stakeholders for approaches that would maintain broader cost sharing across the zone. Members discussed concerns regarding the potential cost allocation impacts associated with separating UMZ-West from the remainder of the UMZ, the practical implications of dividing existing zones across multiple subregions, and the appropriate placement of LAP East. Additional discussion focused on balancing transmission system integration, historical transmission arrangements, and alignment of future transmission upgrade costs with benefiting customers before considering the proposed subregion recommendations.

MOTION: Cost Allocation Working Group members in the Eastern Interconnection recommend to the Regional State Committee limiting the footprint of the North Subregion to only the area in the Eastern Interconnection, subject to the approval of placing the Western Interconnection area in a western (“Montana”) Subregion.

Transmission rates applied in the North Subregion will be calculated by combining the loads and applicable revenue requirements in the North Subregion with the loads and applicable revenue requirements in the Montana Subregion

Greg Rislov (SDPUC) motioned/Matt Alvarado (IUC) seconded. *The motion passed with 12 votes in favor and one abstention (OCC).*

MOTION: Cost Allocation Working Group members in the Western Interconnection recommend to the Regional State Committee the establishment of two Subregions for allocation of 67 percent of the revenue requirements of Base Plan Upgrades between 100 kV and 300 kV. The two Subregions will correspond to the footprints of the approved Montana Deliverability Area and the Rocky Mountain Deliverability area.

Transmission rates applied in the Montana Subregion will be calculated by combining the loads and applicable revenue requirements in the Montana Subregion with the loads and applicable revenue requirements in the North Subregion. In all other respects, Tariff provisions for Subregions in the SPP West Region will be developed in a manner consistent with the FERC-approved Tariff provisions for the SPP East Region, including application of the subregional GRID Contribution under the Consolidated Planning Process.

Kara Kolkman (WYPSC) motioned/Agata Malek (NMPRC) seconded. *The motion passed with four votes in favor and two abstentions (ACC and UPSC).*

MOTION: Cost Allocation Working Group members in the Eastern Interconnection recommend to the Regional State Committee the placement of the Eastern Interconnection area of the LAP Zone in the North Deliverability Area. Matt Alvarado (IUC) motioned/Shawnee Claiborn-Pinto (PUCT) seconded. *The motion passed with 12 votes in favor and one abstention (OCC).*

MOTION: Cost Allocation Working Group members in the Eastern Interconnection recommend to the Regional State Committee the placement of the Eastern Interconnection area of the LAP Zone in the Nebraska Subregion. Matt Alvarado (IUC) motioned/Chris Hanson (NDPSC) seconded. *The motion passed with eight votes in favor and five abstentions (LPSC, NMPRC, OCC, PUCT, and NPRB).*

Agenda Item 10 – RR786 CPP GOVERNING LANGUAGE CLARIFICATIONS

Susanna Padilla (SPP) presented RR786, which proposes clarifications to CPP governing language to support implementation of the SPP East and SPP West planning regions. The revision request establishes separate Grid-C calculations for the East and West regions, defines Western Interconnection cost allocation subregions and deliverability areas, clarifies revenue distribution provisions, aligns the timing of the Initial Cluster Study open window for the West with the East, and addresses several tariff inconsistencies and administrative corrections. Ms. Padilla noted that the final revision request would be updated to reflect the Western Interconnection subregion decisions made later in the meeting and would proceed through the remaining stakeholder approval process. Members discussed the relationship between Schedules 7, 8, 9, and 11 before agreeing to defer consideration of the revision request until after completion of the subregion configuration votes.

MOTION: The Cost Allocation Working Group recommends the Regional State Committee approves RR786 – CPP Governing Language Clarifications, with the inclusion of the Western Interconnection cost allocation Subregions as approved by CAWG on June 11, 2026. Matt Alvarado (IUC) motioned/Jason Chaplin (OCC) seconded. *The motion passed unanimously.*

Agenda Item 11 – RR784 PLANNING CRITERIA UPDATE FOR 2030 AND 2032 PRM VALUES

Bradley Payne (SPP) presented RR784, which updates Section 4 of the SPP Planning Criteria to incorporate previously approved Planning Reserve Margin (PRM) values for 2030 and 2032. The revision request adds summer PRM values of 17% for the 2030–2032 planning years and winter PRM values of 38% for the 2030–2032 planning years. Mr. Payne noted that the underlying policy recommendations have already been approved through the stakeholder process and that RR784 serves to formally incorporate those values into the Planning Criteria. He also reviewed the anticipated approval timeline, noting that the revision request will proceed through SAWG and other stakeholder groups before returning to CAWG for action.

Agenda Item 12 – WORKING GROUP UPDATES

Jason Chaplin (OCC) noted concerns regarding a potential cost overrun on an Order No. 1000 project in Oklahoma that was originally approved with a cost cap. He indicated that the project may exceed its established cost cap, which he is reviewing, and will keep the group updated.

Adam McKinnie (MOPSC) reported that a May RTO Insider article indicated the Minnesota Department of Commerce is more confident that DOE funding may be available for JTIQ projects. He noted that the funding outlook appears firmer than it had previously.

Agenda Item 13 – 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		V	
Intermediate Planning Cost Allocation			V
RR743 – CONE Process			V
RRXXX – Price Adaptive Load Service			V

Agenda Item 14 – ACTION ITEMS

1. CAWG Chair to work with Bates White to prepare a recommendation memorandum regarding generation retirement cost allocation for presentation to the CARE Team.
2. Staff to continue development of tariff language associated with approved cost allocation subregion configuration recommendations.

Agenda Item 15 – UPCOMING MEETINGS

MONTH	DATE	START TIME	FORMAT
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	8:30 am MT	in-person (Denver, CO)

Agenda Item 16 – ADJOURNMENT

Chair Krajewski adjourned the meeting at 1:07 p.m. CT

Respectfully Submitted,

Angela Sartori, *proxy* Cicily McGee
CAWG Staff Secretary