COST ALLOCATION WORKING GROUP MEETING
August 21, 2026
10:00 A.M. CT –11:00 A.M. CT
Virtual

SUMMARY OF MOTIONS AND ACTION ITEMS

Motions

MOTION: The Cost Allocation Working Group recommends the Regional State Committee approve RR801_SIR878, SPP Western BAA Market Adequacy Evaluation, as presented, with the correction to Section 8.6.48 to replace “Real-Time Load” in (1).(a) with “Asset Owner Adequate,” so that it reads “(West BAA Asset Owner Adequate Ratio Share)”.

Tedann Olsen (UTPSC) motioned/Angelah Magofna (NMPRC) seconded. *The motion passed unanimously with five votes in favor.*

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MINUTES

Agenda Item 1 – Call to Order and Administrative Items

John Krajewski (NPRB) called the meeting to order at 10:00 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)

Jon Thurber – 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)

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 (COPUC) and Lise Trudeau (MNPUC) were not present.

Agenda Item 2 – RR801 – Western BAA Market Adequacy Evaluation

Caroline Chapman (SPP) presented RR801, a market adequacy evaluation mechanism for the Western Balancing Authority Area (BAA). The proposal is intended to incentivize market participants to maintain adequate capacity by assessing charges for inadequacy and providing credits to participants that are adequate during emergency conditions. Ms. Chapman also reviewed revisions made in response to stakeholder feedback.

John Luallen (SPP MMU) expressed concerns regarding the expedited development of RR801, potential unintended consequences, and whether the proposal addresses the underlying causes of tight conditions in the Western BAA. Concerns included the adequacy of the penalty, price formation issues, and the potential for uneconomic imports to be used to avoid penalties. The MMU recommended rejecting RR801 and pursuing alternatives focused on reliability and price formation improvements. Stakeholders discussed whether the penalty structure would be sufficiently punitive to deter inadequate capacity offers. Additional discussion focused on potential real-time price suppression resulting from oversupply and the impact of non-price-sensitive imports. SPP Staff responded to questions regarding the sunset provision and penalty design. SPP Staff noted that the sunset provision can be revisited based on stakeholder feedback and emphasized that RR801 is intended to provide an interim mechanism until the resource adequacy construct and enforceable planning reserve margin is implemented.

Tedann Olsen (UTPSC) identified a language discrepancy, which was addressed through a correction included in the approval motion. CAWG comments will be submitted in the Revision Request process.

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>
> Tedann Olsen (UTPSC) motioned/Angelah Magofna (NMPRC) seconded. *The motion passed unanimously with five votes in favor.*

Agenda Item 3 – New Action Items

No new action items were established.

Agenda Item 4 – Adjournment

Chair Krajewski adjourned the meeting at 10:54 am CT.

Respectfully Submitted,

Angela Sartori
CAWG Staff Secretary