



CREPC 1920 Ad Hoc Committee Meeting

March 25, 2026

Today's Objectives

RSE discussion and decision-making color codes:

Yellow = All committee member discussion to inform draft decisional documents

Orange = State Voting Rep discussion to inform draft decisional documents

Green = State Voting Rep decision to adopt/modify/reject draft decisional documents

- Reorient to States draft Ex Ante Cost Allocation Proposal by:
 - Reviewing draft state proposal development
 - Reviewing updated hypothetical modeling results for draft ex ante cost allocation from Energy Strategies, including the quantification of new benefit categories to better reflect FERC's seven listed benefits of transmission development.
- Review and discuss Support Team and Subcommittee work on the draft ex ante cost allocation proposal since Fall '25, including planning region feedback and recommendations for response.
- Share committee member questions and perspectives in preparation for upcoming decision-making.

Agenda

11:30 a.m. / 12:30 p.m. **Welcome, Introductions, Agenda Review**

11:45 a.m. / 12:45 p.m. **Re-orient to ex ante method proposals from planning regions and committee**

12:00 p.m. / 1:00 p.m. **Energy Strategies presentation of committee draft ex ante method modeling results**

- 50-min presentation
- 10-minute discussion and Q&A

1:00 p.m. / 2:00 p.m. **Discussion of Support Team and Subcommittee work and recommendations on the ex ante cost allocation method**

- Planning regions' feedback on state proposal
- Substantive subcommittee recommendations to modify draft proposal
 - DFAX
 - De minimis proposal
- Q&A and discussion

1:25 p.m. / 2:25 p.m. **Next-Steps/Action Items**

1:30 p.m. / 2:30 p.m. **Adjourn**

Support Team updates

- Met with FERC on March 12
 - procedural notes regarding any state proposal submissions
 - State Agreement Process
 - Coordinating another meeting on ex ante methods in mid April
- Coordinating next SVR review of SAP concurrently with draft tariff language
- RSEs' feedback letter to NorthernGrid regarding planning
- RSEs' feedback letter to WestConnect regarding planning



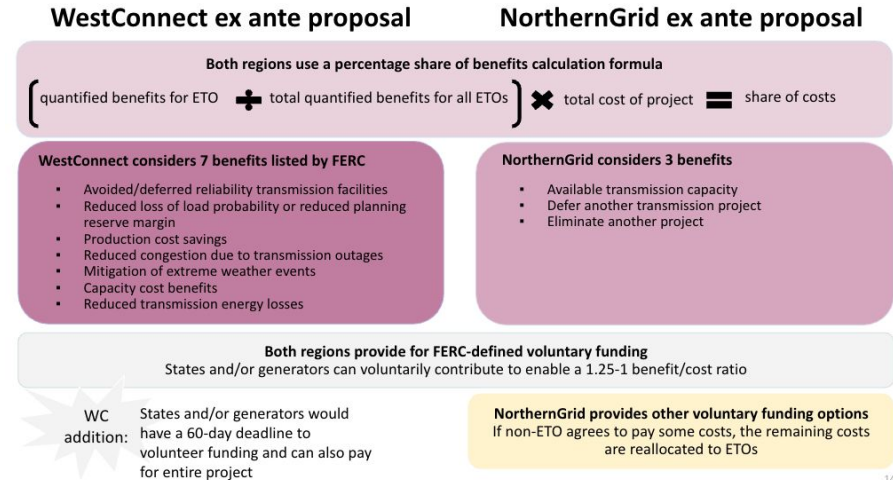
Re-orientation to RSE influence on ex ante methods

- *Ex ante* methods are developed and adopted prior to transmission planning and apply to all subsequent projects.
- Order No. 1920 requires jurisdictional transmission providers to include in their compliance plans an ex ante cost allocation method or methodologies.
- Order No. 1920 permits RSEs to provide input into transmission providers *ex ante* proposals, and develop and submit a states proposal for *ex ante* cost allocation methods.
- FERC will choose between the RSEs' proposal and the utilities' proposal assuming both are just and reasonable.



Re-orientation to *ex ante* methodology work

- Reviewed NorthernGrid’s proposal to
 - Quantify benefits using 3 of the 7 FERC benefits; allocate costs proportionally to beneficiaries
- Reviewed WestConnect’s proposal to
 - Quantify benefits using 7 of the FERC benefits; allocate costs proportionally to beneficiaries
- State feedback in Summer ’25:
 - Regions should quantify all 7 of the FERC benefits for cost allocation purposes
 - States are interested in developing their own proposals
 - States would like to review region’s planning efforts to be more informed about how planning and cost allocation work meets states needs



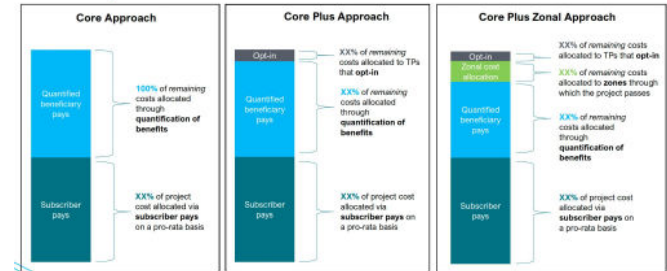
Development of states' *ex ante* methodology

- Built on [State Exploration of Western Transmission Cost Allocation Frameworks](#) study conducted 2024-2025 in CREPC TC with Energy Strategies.
- Iterative development of 1920 Ad Hoc Committee's states' proposal across three months, including progress made at in-person workshop prior to joint CREPC-WIRAB meeting, on Sept. 30, 2025. Proposal as amended by NM was adopted as a draft committee proposal on Oct. 22, 2025.
- The committee spent most of its time and attention on the zonal elements of the proposal, concluding via consensus that zonal elements were important to include but should be weighted less than subscription and benefit quantification elements.
- Ongoing challenges of development in the hypothetical and without an understanding of project planning—how might this all look in practice?

CREPC 1920 Ad Hoc Committee | Review of State Exploration of Western Transmission Cost Allocation Frameworks | June 2025



Three Cost Allocation Frameworks Evaluated, using Different "Building Blocks"

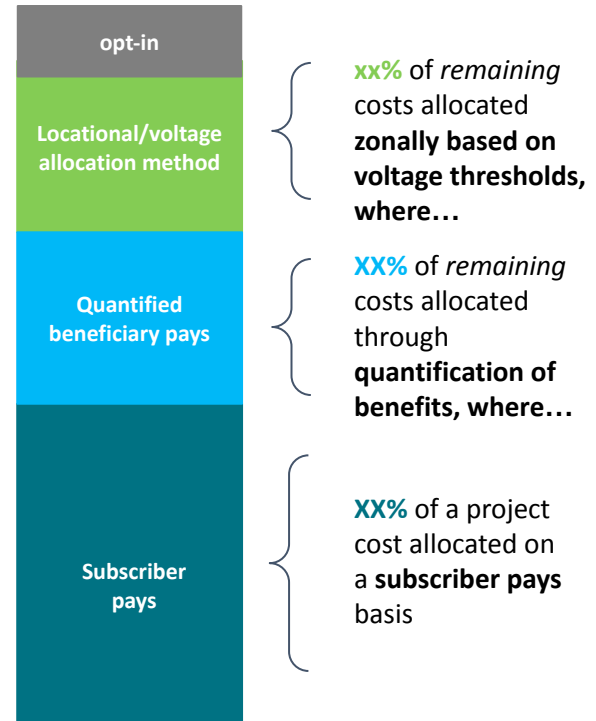


Proposed draft committee method

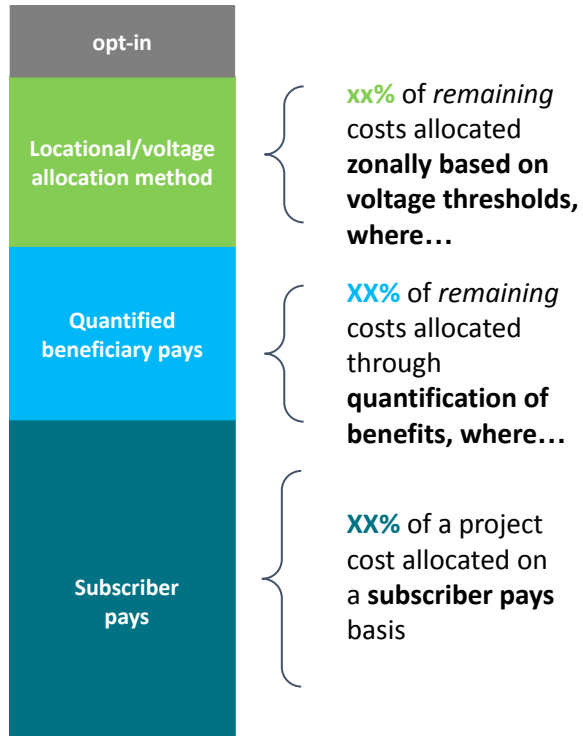
- Three buckets
 - **Subscription:** Utilities, generators, etc., acquire capacity on the project or projects (pre- and post-benefit quantification and zonal applications; see subscriber pays and opt-in)
 - **Quantified benefits:** Utility-allocated costs based on proportionate benefits
 - **Zonal:** Utility-allocated costs based on location and voltage levels
 - The bulk of costs would be allocated via subscription (pre- and post-benefit quantification and zonal allocation)
 - Assignment of proportionate benefits requires more than de minimis benefits
 - Utility receives transmission rights if allocated costs
 - There is always an option for states/generators/non-jurisdictional utilities to volunteer to pay a share of the costs of a project or projects
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- The diagram for the proposed method shows a vertical bar with four segments from top to bottom:
 - opt-in:** XX% of remaining costs allocated zonally based on voltage thresholds, where...
 - subscription/voltage allocation method:** XX% of remaining costs allocated through quantification of benefits, where...
 - Quantified beneficiary pay:** XX% of remaining costs allocated through quantification of benefits, where...
 - Subscriber pays:** XX% of project cost allocated on a subscriber pays basis

Draft committee method, Fall '25

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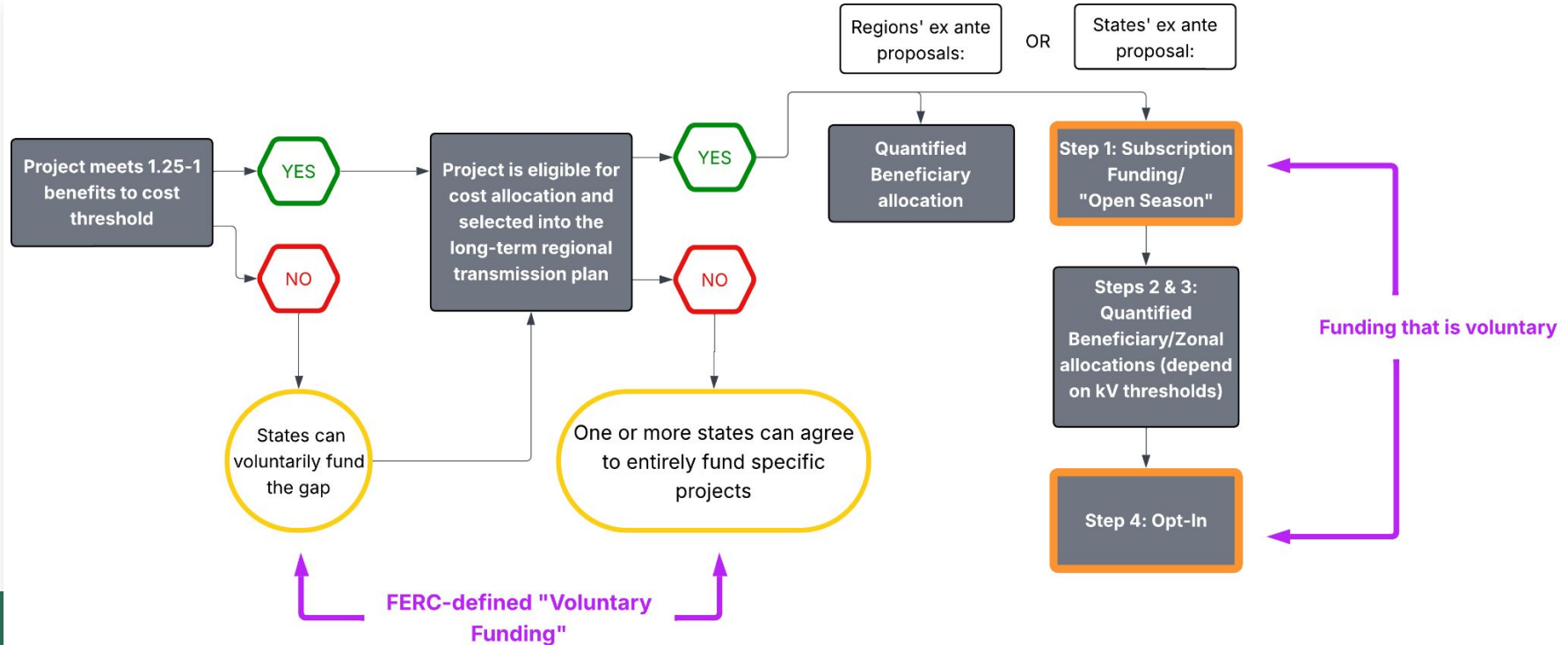


Draft committee method, Fall '25, cont.



- Post-subscription cost—Zonal/QB allocation split:
 - **Project larger than 300 kv**, zone includes balancing areas line traverses plus adjoining balancing areas
 - 25% zonal/75% QB
 - **Project between/including 200-300 kv**, zone includes balancing areas line traverses and adjoining balancing areas
 - 10% zonal/90% QB
 - **Project smaller than 200 kv**,
 - 0% zonal/100% QB
- **If HVDC line**, expect for costs determined through a subscription or benefit allocation process, costs will only be allocated to enrolled transmission owners interconnected with the HVDC project in the zone in which the project ends and begins (sink and source).

Reminder of “voluntary funding” options



Order 1920 Draft Ex Ante Cost Allocation Case Study

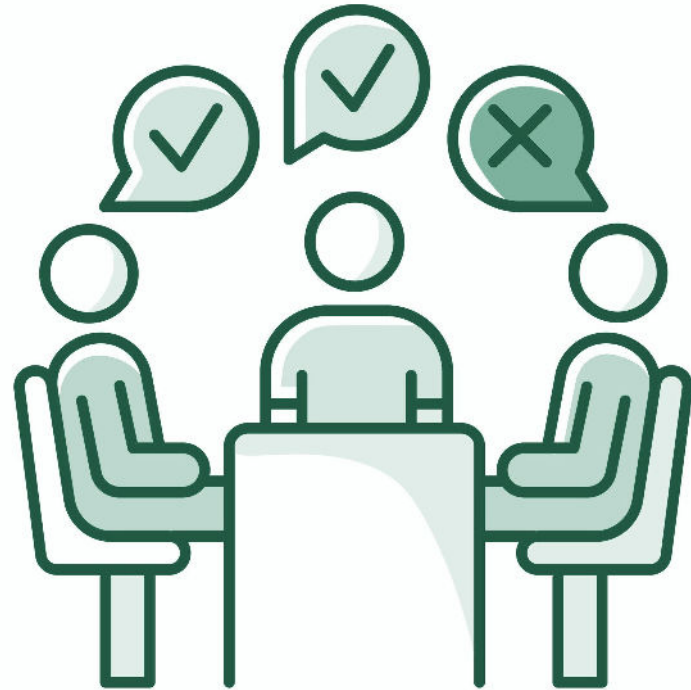
Caitlin Liotiris, Energy Strategies
Malkie Wall, Energy Strategies



Subcommittee cost allocation “background work” and recommendations

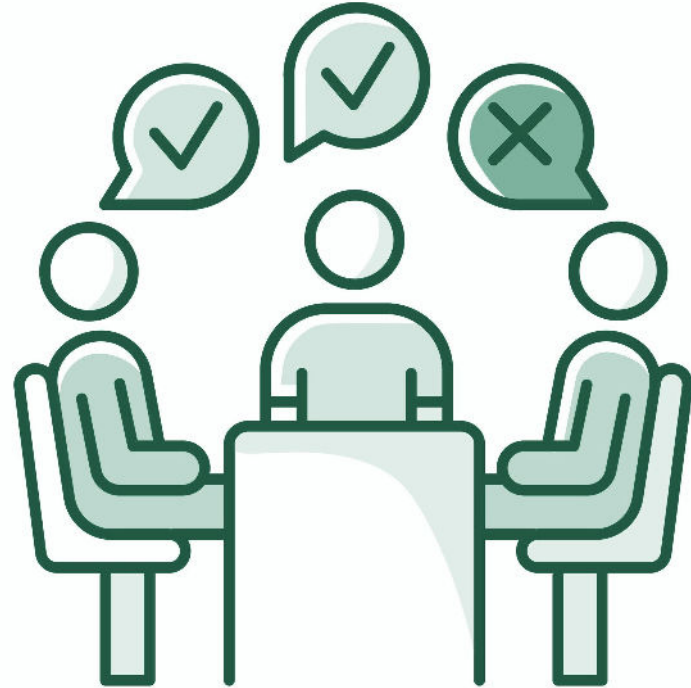
NorthernGrid feedback on states method

- Supportive of
 - Benefit quantification elements (preferring 3 benefits over 7)
 - Voluntary subscription elements
- Challenged by
 - Zonal elements
 - De minimis standard
 - Costs assigned to “fly over states”
- Open to adopting states proposal



WestConnect feedback on states method

- Supportive of
 - use of the 7 benefits in benefit quantification
- Not supportive of
 - Voluntary subscription elements
 - Zonal assignments
 - Portfolio planning/cost assignments
 - De minimis standard
- Unlikely to adopt states proposal



Subcommittee recommendations to modify draft proposal

- Adds specificity to subscription process by naming project developer(s) as entity(ies) running the open season process, subject to FERC oversight and pursuant to FERC's open season requirements.
- Refines zonal allocation elements to use a power-flow analysis (DFAX analysis) to identify zones, with an added load-based methodology if more than one transmission owner is identified per zone.
- Adds specificity to how cost allocations would shift after any additional subscription (proportionally).
- Defines *de minimis* as 2% of total costs assigned via benefit apportionment and/or zonal allocation; reassigns *de minimis* portionally.
- Clarifies that unused transmission capacity can be sold.
- Other word-smithing elements.

Example of proposed adjusted zonal allocation:

- A project has 100 units of cost to be apportioned zonally
- A DFAX analysis identifies 2 zones and that costs between the two zones should be split equally (50 units of cost per zone).
- If one of the 2 zones has two or more utilities, the 50 cost units in that zone will be split according to load-weighted share.

Remaining work ahead

Important questions to **answer** include:

- What if anything does the committee want to share with FERC in compliance submissions?
- Should guidance be the same between planning regions?
- What are the next steps towards finalizing FERC submissions if desired?

Important questions to understand:

- How do NG/WC propose to incorporate states guidance on planning and cost allocation elements?
- Is this response sufficient for RSEs?
- What to understand about RSEs submitting proposals to FERC via compliance filings?

State engagement
deadline: ~May 1

Compliance
deadline: June
12

March 25

April 8

April 22

May 13

May 27

June 10

Discuss modifications to ex ante cost allocation guidance

Review analysis of hypothetical projects against draft ex ante method and Subcommittee work on ex ante methodology

Finalize states ex ante proposal

Refinement/ finalization of ex ante cost allocation proposal

Via email: Review potential draft tariff language

Determination of RSE submissions to FERC

Discussions with planning regions regarding incorporation of state proposals

Respond to planning region feedback, refine tariff language as needed

Discussions with planning regions on incorporation of state proposals

Respond to planning region feedback, refine tariff language as needed

Procedural updates towards compliance deadline

discuss RSE needs moving forward; consider future of Ad Hoc Committee

Next Steps/Action Items

- Notes will be provided one week from today
- Next meeting is April 8, committee will continue with more in-depth discussions of state perspectives on Subcommittee recommendations, including decision-making to adopt Subcommittee recommendations or otherwise adjust the states' draft proposal.
- April 22 focused on final decisions re submissions to FERC

