Organization of MISO States (OMS)
Transmission Planning Work Group
Response to LLWG Feedback Request
Submitted on September 3, 2026

During the August 27, 2026 Large Load Working Group (LLWG), MISO outlined the cost transparency and cost shifting concerns from FERC's Show Cause Order. Stakeholders were invited to submit feedback on the following:

- Aside from the data specifically outlined by FERC for cost transparency, what other data related to transmission costs resulting from the provision of transmission service to Eligible Customers on behalf of large loads would be useful to include on MISO's website?
- Should the cost recovery agreement minimum contribution be based on the level of jurisdictional transmission service (in MW) as preliminarily suggested by FERC? Or is there another just and reasonable method for determining the minimum contribution MISO should consider?
- In lieu of credit support or other financial security posted by a large load as part of a retail agreement, what minimum credit support or financial security is sufficient to secure the obligations of the Eligible Customer taking transmission service on behalf of large load to pay the amounts owed pursuant to the cost recovery agreement?

https://www.misoenergy.org/engage/stakeholder-feedback/2026/llwg-cost-transparency-and-cost-shifting-llwg-2026-8-20260827/

The OMS Transmission Planning Work Group (OMS TPWG) provides this feedback in response to MISO's cost transparency and cost shifting presentation. **This feedback is from an OMS work group and does not represent a position of the OMS Board of Directors.**

1. Aside from the data specifically outlined by FERC for cost transparency, what other data related to transmission costs resulting from the provision of transmission service to Eligible Customers on behalf of large loads would be useful to include on MISO's website?

In addition to the information currently included in the transmission service request and the planning study results, the OMS TPWG recommends that MISO provide the following information on its website to the greatest extent possible:

- A Transmission Owner's current TPZ Schedule 9 Rate ($/MW)
- Annual Revenue Requirement (ARR) estimates for network upgrades identified as needed for large load interconnection.
    - Ideally, provided through useful life of an asset (~40 years), but ARR for the first year in-service could be acceptable.
    - This information, paired with a TO's TPZ Schedule 9 Rate, allows state regulators to determine if identified network upgrades will put upward or downward pressure on TPZ zonal rates (by preforming an incremental cost test on specific projects).
- For all network upgrades, identify the Eligible Customer, TPZ, and TOs. Corrective Action Plan projects may have different TPZ and TO designations.
- The total MWs of each large load.
- Ability to track phased-in load MWs and the associated network upgrades for each phase.
- In-service dates for both the load and network upgrades.

The OMS TPWG also notes that the current location of the EPR Dashboard and other transmission project reports on MISO's website may present an accessibility challenge for individuals who do not routinely access these reports. MISO should consider ways to make these reports more readily accessible and visible in order to better fulfill the directives of the Show Cause Order.

2. Should the cost recovery agreement minimum contribution be based on the level of jurisdictional transmission service (in MW) as preliminarily suggested by FERC? Or is there another just and reasonable method for determining the minimum contribution MISO should consider?

The OMS TPWG suggests that MISO and its stakeholders look beyond the Show Cause Order's suggestion of cost recovery agreements minimum contribution based on the level of jurisdictional transmission service (in MW) because there are situations where relying on zonal rates, even set at a level of jurisdictional transmission service, could still result in cost shifting large load network upgrades costs to other customers.

A problematic situation could arise when the network upgrades required to interconnect a large load are so costly that charges assigned to that load through zonal rates – based on the large load's interconnection capacity – will never be sufficient to recover the increase in TPZ zonal rates resulting from those network upgrades. Under the current de facto approach, this dynamic does not incentivize optimal interconnection points since their network upgrades are ultimately socialized across the TPZ.

Another situation in which this issue can arise is when a transmission owner's system neighboring the large load's host transmission owner are assigned Corrective Action Plans through the EPR process that result in network upgrade projects on the neighboring transmission owner's system. As available headroom on the existing transmission system is increasingly consumed by large load additions, there will likely be more instances in which neighboring transmission systems will require network upgrades to reliably accommodate a large load addition. These neighboring transmission systems, however, have no mechanism for recovering the costs of those upgrades because the large load customer is not located within their TPZ.

The OMS TPWG believes that in order to effectively prevent cost shifting, large loads would need to pay for both the incremental upgrades, which would be identified and recovered via the cost sharing agreement and their use of the existing transmission system, which would be recovered through existing zonal rates. Facilities recovered from cost sharing agreements would be excluded from zonal rate base. The OMS Board of Directors will be considering a position on this policy change in the coming months.

The OMS TPWG believes that cost recovery agreements should not be based on the existing zonal rates. Instead, cost responsibility should be based on the actual ARR of network upgrades identified by MISO through MTEP processes. This approach would expose large loads to the costs they actually cause, reduce opportunities for cost shifting, incentivize cost-effective interconnection decisions, and address speculation concerns appropriately raised by the Commission. The mechanism for implementing this approach could take several forms. One option would be to establish a new MTEP project type requiring a Pro Forma cost recovery agreement among MISO, the TO, and the LSE under which the large load customer assumes responsibility for transparently identified network upgrade costs before those upgrades are placed in service. Such an approach would align with the Rate Payer

Protection Pledge, which provides that "[c]ompanies will pay for all new power delivery infrastructure upgrades required to service their data centers, including adequate network upgrade costs," as well as requirements established in certain existing state tariffs (e.g., NSP-Minnesota).

To prevent cost shifting due to the large load's use of the existing transmission system, the OMS TPWG suggests – in addition to the recovery agreement minimum – continuing to rely on existing Schedule 9 charges based on a large load's demand. This would require no administrative change nor additional work from MISO and the Transmission Owners. Again, the OMS Board will be considering a position on this policy change in the coming months.

It is important that any substantive change to large load interconnection cost allocation methods be applied uniformly across TOs in MISO. Allowing variation in assignment of incremental network upgrade costs across the footprint may unduly distort competitive dynamics in attracting large load customers in an individual TO's service territory, advantaging some TOs over others. Preserving these competitive dynamics is critical in developing a method to have large loads pay the full cost of incremental network upgrades that can pass muster at FERC.

3. In lieu of credit support or other financial security posted by a large load as part of a retail agreement, what minimum credit support or financial security is sufficient to secure the obligations of the Eligible Customer taking transmission service on behalf of large load to pay the amounts owed pursuant to the cost recovery agreement?

No opinions at this time.