Organization of MISO States (OMS)
Transmission Planning Work Group
Response to LLWG Feedback Request
Submitted on September 30, 2026

During the September 23, 2026 Large Load Working Group (LLWG) meeting, MISO proposed a minimum-payment cost-shifting framework to ensure transmission customers serving large loads bear appropriate financial responsibility for the transmission costs incurred to serve those loads, including Network Upgrades, rather than shifting those costs to other transmission customers.

https://www.misoenergy.org/engage/stakeholder-feedback/2026/llwg-cost-shifting-risk-among-transmission-customers--scope-of-order-and-mitigation-examples-llwg-2026-8-20260923/

The OMS Transmission Planning Work Group (OMS TPWG) provides feedback in response to MISO's cost shifting risk presentation. The views expressed below are not necessarily supported by all members of the OMS TPWG. The Louisiana PSC Staff in particular noted reservations and concerns with several aspects of the draft feedback but does support the objectives of transparency and protecting existing customers from unreasonable cost shifts. Given the one-week feedback window and the complexity of this topic, perspectives will likely evolve in an effort to develop a workable solution for the entire MISO region. **This feedback is from an OMS work group and does not represent a position of the OMS Board of Directors.**

1. **Who bears the incremental cost? MISO and the TOs must demonstrate why costs should be shifted from the cost causer to existing customers – not the inverse.**

Large Loads should be exposed to the incremental costs of the network upgrades they cause, rather than simply paying zonal rates. This is a critical safeguard for protecting existing customers and for providing appropriate price signals to prospective Large Loads.

Exposure to incremental network upgrade costs should help discourage speculative requests on the system by requiring customers to confront the actual system costs associated with their service request. Such an approach is consistent with FERC's recognition in the Show Cause Order that under MISO's existing Tariff, speculation by large loads risks shifting significant costs to existing customers. *See* FERC Show Cause Order, Docket No. EL26-70, PP 56, 59, 68, 73, 80.

Accordingly, OMS TPWG does not believe the appropriate test is simply whether the transmission rate with the Large Load is less than or equal to the transmission rate without the Large Load. A lower or unchanged zonal rate does not, by itself, demonstrate that existing customers are held harmless. Instead, MISO must be able to answer three basic questions:

1. What incremental costs were caused by the Large Load?
2. Where are those costs being recovered?
3. Who is ultimately paying them?

The MISO and TO framework starts with the assumption that costs should be rolled into Schedule 9 rates unless they can be specifically assigned to the Large Load. Costs caused by Large Loads should remain with the Large Loads unless MISO demonstrates a reason to socialize them.

Schedule 9 is not, by itself, an adequate mechanism for demonstrating that cost shifting has been prevented. Rolling incremental costs to serve Large Loads into NITS socializes those costs across the applicable transmission customers and can obscure both the costs attributable to the Large Load and the offsetting revenues it contributes.

For this reason, the resulting zonal rate should not be treated as the measure of whether existing customers have been protected. A zonal rate that stays flat or declines does not demonstrate to regulators whether existing customers are paying costs caused by the Large Load, or whether the rate should have declined further. The relevant question is whether the Large Load is paying the incremental costs it causes, and whether any costs that are instead socialized have been justified.

2. What should the Large Load pay overall? Large Loads should contribute to both the existing transmission system they use and the incremental costs they create.

Responsibility for incremental costs and payment for use of the existing system are not mutually exclusive. Large Loads benefit from the existing transmission network, and should make an appropriate contribution toward that system while also being responsible for the incremental costs associated with connecting to and using the grid.

The OMS TPWG requests that MISO evaluate pricing approaches under which Large Loads bear identifiable incremental costs while also making an appropriate contribution toward the embedded transmission system they use. Potential approaches could include a higher-of construct, a minimum-payment requirement, an embedded-plus-incremental construct, or another approach that achieves the same objective. Regardless of the construct, identifiable incremental costs should not disappear into an embedded rate.

The OMS TPWG understands that the concern regarding duplicative recovery is focused on recovering the same costs for the same facilities more than once. That concern does not necessarily preclude separately pricing a Large Load's contribution toward the existing transmission system and its responsibility for identifiable incremental costs associated with connecting to and using the grid. MISO should therefore evaluate these components separately and demonstrate that the resulting construct appropriately accounts for both.

3. The process for attributing network upgrades to Large Loads should be transparent and understandable.

Preventing cost shifting requires both appropriate pricing, as described above, and a transparent process for identifying and attributing specific network upgrades and their costs to the Large Loads that cause them. All network upgrades needed to serve Large Loads should be clearly identified, with the basis for attributing the associated costs to that load clearly documented.

The OMS TPWG proposes that MISO explore a "but-for" attribution standard, under which all network upgrades that would not be built *but for* a particular Large Load would be attributed to that Large Load, even if the upgrades also provide benefits to other customers or the broader system. The fact that an upgrade provides additional benefits does not, by itself, establish that the Large Load should be relieved of responsibility for costs that would not otherwise have been incurred. The process used to identify and attribute network upgrades to specific Large Loads should be transparent, consistently applied, and understandable to affected stakeholders.

The OMS TPWG proposes a possible exception to strict but-for attribution – right-sizing. In the interest of encouraging appropriately sized transmission facilities and avoiding piecemeal upgrades, the costs of a network upgrade could be shared where the upgrade simultaneously addresses other documented transmission needs that would exist independently of the Large Load.

In such cases, the allocation should be based on a neutral, standardized, and transparent process. MISO, or another neutral party, should determine the portion of the upgrade attributable to previously identified transmission needs, such as projects or needs documented in MTEP Appendix B, and the portion attributable to serving the Large Load. The Large Load should remain responsible for the portion of the upgrade that would not otherwise have been needed to address those pre-existing needs.

This approach would preserve but-for attribution as the general rule while allowing costs to be shared when there is a documented system need that independently justifies a larger or differently configured facility. It would also provide a clear basis for stakeholders to understand why a particular network upgrade is being attributed, in whole or in part, to a Large Load.

4. Large Loads should be responsible for later-identified costs and contributions to Baseline Reliability, Local, and Other Projects – whether at wholesale or retail.

The cost-attribution framework should not end when the initial Large Load study is completed. Large Loads should remain responsible for transmission costs they cause, contribute to, or accelerate – including later-identified BRPs and Local Reliability Projects, project cost increases, transmission project cost overruns, potential accelerated depreciation, and stranded costs associated with early departure or load reduction – regardless of when those costs are identified.
The framework should protect existing customers from bearing identifiable costs driven by Large Load service. Contractual arrangements among the Large Load, LSE, and Transmission Owner should not become a basis for shifting otherwise attributable costs to existing customers.
This principle should apply across the full life of the Large Load request and should include, at a minimum:

- **Later-identified BRPs / MTEP true-up projects**: Network impacts that are not apparent during the initial study process but are identified through broader system analysis in subsequent MTEP cycles.
- **Local reliability projects:** Projects subsequently require because of the Large Load or its impact on the transmission system.
- **Regional transmission projects:** Projects where the Large Load causes, increases, or accelerates the need for the project.
- **Project cost increases and overruns:** If a project assigned to or attributable to a Large Load ultimately costs more than originally estimated, the Large Load should not be insulated from its attributable share simply because the original estimate was lower.
- **Acceleration costs:** Costs associated with advancing an existing or planned project because the Large Load requires the project to be completed sooner than otherwise necessary.
- **Early departure or load-reduction risk:** Unrecovered costs should not automatically shift to remaining customers if a Large Load leaves, downsizes, or fails to materialize.

- **Affected-system costs:** Costs identified after the initial MISO study for projects on neighboring systems, should be assessed to the Large Load driving their need.
- **Construction costs:** Large Loads should be assigned costs necessary to construct facilities in advance of energization and costs incurred as the load phases up to the level for which the upgrades were designed.

The OMS TPWG recognizes that it will not be possible to identify or assign every cost impact caused by Large Loads. Large Loads may also contribute to congestion, changes to wholesale prices, and subsequent reliability impacts that cannot be directly attributed to a particular customer. That limitation makes it more important – not less – to correctly assign the costs that can be identified. The fact that some downstream impacts cannot be directly assigned should not become a basis for assuming that identifiable Large Load-driven costs will instead be borne by existing customers on a load-ratio share basis or embedded transmission rates.

MISO must also provide sufficient transparency for regulators to determine when later project costs, cost increases, or other transmission impacts are attributable to Large Load service, rather than allowing those costs to become indistinguishable within embedded transmission rates.

5. Transparency must allow regulators to follow the costs.

Transparency in MISO and the Transmission Owners' study and cost assignment processes is imperative to ensure that state regulators have sufficient information to evaluate whether network upgrades are appropriately assigned and whether costs are following causation.

MISO must provide sufficient information for regulators to follow costs from the initial Large Load request through study, project selection and classification, construction, and rate recovery. At a minimum, regulators should be able to identify:

- Which upgrades are attributable to Large Load service;
- How each project is classified (e.g., direct assignment, Baseline Reliability, Other, Affected System, etc.);
- The basis for attributing the project or a portion of its costs to the Large Load;
- How project costs change after initial approval, including cost increases and overruns;
- Whether and how project timing is accelerated because of the Large Load;
- Where the resulting costs ultimately enter rates; and
- Which customers ultimately pay those costs.

This transparency should extend beyond the initial network upgrades to later-identified BRPs, local reliability projects, affected-system upgrades, and subsequent project cost increases. The objective is not simply transparency for its own sake. Regulators need enough information to determine whether cost responsibility continues to follow causation as projects evolve and new costs emerge. A project classification or cost allocation established at the outset should not prevent regulators from identifying and addressing later costs that are subsequently shown to be attributable to Large Load service.

6. The following table is provided to help illustrate the differences between MISO and the TOs' current proposal and one framework supported by several OMS TPWG members.

	MISO/TO Framework	OMS Consideration (one option)
Existing System	LL pays Schedule 9 share	LL pays Schedule 9 share
$100M Incremental Upgrade	Rolled into Schedule 9	Assigned to LL based on cost-causation
LL Share of Upgrade	~$5M (5%) (potentially increased after allocation by supp. payment)	$100M (100%)
Existing Customers	~95% (potentially reduced after allocation by supp. payment)	$0
Principle	Load-ratio share	Cost causation
Later BRP/Other/Local	Socialized	Assigned to LL (in some fashion)