

ITEM #:	36
DATE:	05-12-26
DEPT:	ELEC

## COUNCIL ACTION FORM

**SUBJECT:       AGREEMENTS WITH ITC FOR SUBSTATION OWNERSHIP RIGHTS AT  
                  PRAIRIE VIEW INDUSTRIAL CENTER**

### **BACKGROUND:**

The Prairie View Industrial Center (PVIC) development, located east of I-35 and south of Lincoln Way, created the need for a new electrical substation to serve anticipated growth and new customer demand in the area. Alliant Energy, through its transmission provider, ITC, identified that existing transmission infrastructure did not have sufficient capacity to reliably support the required electrical load. **Due to the close proximity of Ames Municipal Electric Utility's existing 161 kV transmission line connecting the City to MidAmerican Energy Company's (MEC) Ankeny substation, Ames was uniquely positioned to assist in supporting the new substation.**

ITC has constructed a new 161 kV electrical substation within the Prairie View Industrial Center on the south side of Lincoln Way adjacent to Ames' existing transmission line. During development of the substation, ITC requested to interconnect with Ames' 161 kV transmission system, which extends from the Ames Plant Substation to a MEC substation north of Ankeny. The purpose of the PVIC substation is to provide Alliant Energy with the transmission capacity necessary to serve anticipated industrial and commercial growth in the area, while also allowing portions of existing distribution load to be transferred to the new transformer facilities planned at the substation.

The interconnection project involves extending the City's existing 161 kV transmission line and installing associated transmission equipment within a designated portion of the ITC substation. This project was previously identified in the City's Capital Improvements Plan and approved by Council as part of the FY 2025–2030 CIP.

Three agreement are being proposed to facilitate this project: 1) a Construction Agreement, 2) a Transmission Interconnection Agreement, and 3) a Joint Ownership Agreement. **The Interconnection and Joint Ownership Agreements provide several important benefits to the City of Ames. First, joint ownership preserves a clear and direct transmission path between Ames and MidAmerican Energy Company, maintaining Ames' participation within the MEC Load Balancing Area. Second, the agreements provide Ames access to an additional transmission source, improving overall system reliability and operational flexibility during planned maintenance activities or unexpected outages. Third, ownership participation in transmission facilities allows Ames to receive transmission-related revenues through the Midcontinent Independent System Operator (MISO).**

In addition to the immediate reliability benefits associated with the PVIC interconnection, ITC plans to add a new 161 kV transmission lines between the Fernald and ITC Ames substations to PVIC, with a future transmission line also planned between PVIC and the City of Ames.

These future transmission improvements will further strengthen reliability for Ames Municipal Electric Utility customers.

Under the terms of the Interconnection and Joint Ownership Agreements, Ames will maintain joint ownership interests in the applicable transmission and substation facilities, while MidAmerican Energy Company will continue serving as Ames' Transmission Operator.

**City staff needs additional time to complete the review of these agreements. Therefore, staff is requesting that the City Council continue the hearing to the May 26, 2026 City Council meeting.**

**ALTERNATIVES:**

1. Continue the hearing to the May 26, 2026 City Council meeting.
2. Do not enter into agreements with ITC at this time and refer this item back to City staff for additional information.

**CITY MANAGER'S RECOMMENDED ACTION:**

Alliant Energy was in need of a new substation to serve the Prairie View Industrial Center. ITC, Alliant's transmission provider, does not have adequate transmission resources in the area to provide the needed capacity for the substation. With the close proximity of Ames' existing line that connects the City to MidAmerican's (MEC) Ankeny substation, Ames can help support the substation.

**The three agreements that are being recommended for approval provide several advantages to the City. First, joint ownership maintains a clear, direct path from Ames to MEC, preserving Ames as part of the MEC Load Balancing Area. Second, Ames has access to a new transmission source, further enhancing the electric reliability of Ames' system in the event of needed maintenance or unplanned outages. Third, utilities that invest into transmission assets receive revenues from MISO.**

**More time is necessary to complete the preparation and review of these agreements. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.**