



# Memo

City Manager's Office

**TO:** Mayor and Members of the City Council

**FROM:** Sheila Lundt *Sheila*

**DATE:** December 18, 2009

**SUBJECT:** Amendment to the Electrical Agreement Between the City of Ames and Iowa State University

In 1991, the City of Ames and Iowa State University entered into an agreement to govern the construction and operation of a 69kV transmission line for the purpose of importing power. The University had operated its electrical system with an interconnection to the City's system since 1953. The 1991 agreement allowed for the construction of a major transmission facility (69kV line), with both parties sharing in the cost and setting terms under which the City would purchase power from other utilities for use by the University. The agreement addresses service schedules, sharing of construction and operating costs of transmission facilities, reserve generating capacities, metering and billing.

As a part of the City's recent purchases of 36 MW (megawatts) of wind energy from Garden Wind, LLC (a subsidiary of NextEra Energy Resources, LLC) the University agreed to purchase 6 of the 36 megawatts over the 20 year City contract period.

The attached addition to Article V of the 1991 Agreement will govern the sale of the of the wind energy purchased by the City from Garden Wind, for the use by the University. It allows for the City to bill the University at the cost which the City is charged by Garden Wind. The Iowa Board of Regents has approved this amendment to the agreement.

The City Council is being asked to approve a resolution to include the wind power amendment to the 1991 Electrical Agreement.

Please contact staff with any questions you may have.

Add to Article V Section 2 of Transmission System Agreement

- k) Wind Energy is power and energy from a specific wind farm on a continuously available basis except when such wind farm is temporarily out of service for maintenance. Wind energy is a variable energy source with energy production dependent on weather conditions. Wind energy includes the Renewable Energy Credits associated with the output of the wind farm that is delivered to the buyer. The arrangement for Wind Energy shall be as set forth in Service Schedule L hereof.

Executed as of \_\_\_\_\_

Attest:

\_\_\_\_\_  
Diane Voss, City Clerk

THE CITY OF AMES, IOWA

BY \_\_\_\_\_  
Ann Campbell, Mayor

IOWA STATE UNIVERSITY

BY \_\_\_\_\_  
David J. Miller  
Director of Facility Operations

BY \_\_\_\_\_  
Warren R. Madden  
Vice President  
Business & Finance

BY \_\_\_\_\_  
Robert Donley  
Executive Director  
Board of Regents, State of Iowa