

ITEM #: 13
DATE: 02-13-24
DEPT: Electric

COUNCIL ACTION FORM

**SUBJECT: APPROVE REVISION NO. 4 OF JOINT PRICING AGREEMENT WITH
MIDAMERICAN ENERGY**

BACKGROUND:

The City's Electric Utility participates in the Midcontinent Independent System Operator (MISO) organization. MISO provides the system for its participating utilities to purchase and sell electricity and to maintain the reliability of the electric grid.

The City of Ames, together with Cedar Falls Utilities and Missouri River Energy Services (MRES), are parties to a Joint Pricing Zone (JPZ) agreement with MidAmerican Energy. **This transmission agreement affords Ames the rights to be a Transmission Owner within MISO and receive a revenue allocation for the use of Ames' transmission facilities. MidAmerican currently allocates transmission revenues collected by MISO for transmission services provided over the Parties' transmission facilities in the MidAmerican Pricing Zone.**

The JPZ agreement has been modified from time to time. **Approval of a fourth revised JPZ Agreement is now necessary to add a new party to the agreement. The Municipal Energy Agency of Nebraska (MEAN) will become a MISO transmission owning member in the MidAmerican Pricing Zone on June 1, 2024. All existing parties, including Ames, are being asked to approve the amended agreement.**

The addition of this new transmission assets and municipal utility load is small in size compared to the existing members. Therefore, direct impact on Ames is hard to quantify. However, MEC will benefit by having these MEAN transmission assets managed under a single contract with other municipals. Staff has been in communication with the other municipal members of the agreement, and all support the addition of MEAN as the newest member to the JPZ. Following the approval by Ames and the other parties, the agreement will be sent to the Federal Energy Regulatory Commission.

ALTERNATIVES:

1. Approve the Amended Joint Pricing Zone Agreement with Mid American Energy
2. Do not approve the amended agreement

CITY MANAGER'S RECOMMENDED ACTION:

This amendment to the Joint Pricing Zone Agreement is necessary to add additional municipal electric utilities into the agreement. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.

ATTACHMENT(S):

[MEC-CFU-AMES-MRES-MEAN JPZ Agreement _01-26-2024 Final Execution Package.pdf](#)