



To: Mayor & City Council
From: Donald Kom, Director of Electric Services
Date: December 13, 2024
Subject: Electric Services Long Range Plan

The City's Electric Utility is in the midst of dynamic changes. The primary fuels used in the City's Power Plant ten years ago (coal and refuse derived fuel) are different from those used today (natural gas and RDF), and those anticipated to be used in just three years' time (natural gas alone). Increasing demand for electric vehicles and other devices has changed how metering infrastructure and rates are used to manage growth in load. Extreme weather events (e.g., the 2020 derecho) and infrastructure investments by neighboring utilities have presented the need and opportunity for additional electric transmission capabilities. Finally, the City's Climate Action Plan has called for significant changes in how energy is produced to serve Ames customers' needs.

In light of these dynamics and considering the infrastructure currently in place to meet the Utility's needs, staff has begun the process to develop the 5-year Capital Improvements Plan for the Electric Utility, which will be presented early next year. **The Electric CIP will contain dramatic changes in direction compared to prior CIPs.** These changes will be necessary to accomplish the Utility's obligation to provide reliable energy at an affordable price, and to additionally embody the Council's vision regarding sustainability. Among several important projects, the CIP will contain a project for new thermal generation to meet the reliability and capacity needs of the City, and a project to obtain renewable energy for the Electric portfolio in support of the Climate Action Plan.

In order to prepare the City Council for the unveiling of this new Electric CIP, staff has prepared a presentation which will be reviewed at the December 17 Council meeting. The presentation aims to illustrate the historical impacts that have led to this pivotal moment for the Utility. Staff will also outline the philosophies that have been employed to prepare the CIP for the next five years. **The presentation is being finalized and will be posted to the City's website and emailed to the City Council on Monday, December 16.**