

ITEM #:	<u>26</u>
DATE:	<u>04-28-26</u>
DEPT:	<u>ELEC</u>

COUNCIL ACTION FORM

SUBJECT: AGREEMENT WITH ITC FOR SUBSTATION OWNERSHIP RIGHTS

BACKGROUND:

ITC (an independent transmission company) has built a new 161 kV electrical substation in the Prairie View Industrial Center (PVIC) on the south side of Lincoln Way adjacent to Ames' 161 kV line. During the substation's development, ITC had requested to interconnect to Ames Municipal Electric Utility's existing 161 kV line, which extends from Ames Plant Substation to a substation north of Ankeny and is in the vicinity of ITC's new substation. The purpose of the PVIC substation is for ITC to provide Alliant Energy with the necessary capacity to service Alliant's anticipated new customers in this vicinity and to transfer some of its existing distribution load to the transformer(s) planned as part of this substation.

The interconnection will involve the extension of the City's 161 kV lines, along with equipment installed in a portion of the ITC substation. This project was originally identified as a Capital Improvement Project and approved by Council in the FY 2025-2030 CIP.

Ames' own reliability for its customers will be enhanced as ITC adds an additional 161 kV line from its Fernald to Ames substations, and a future line is planned to be built from PVIC to Ames to add transmission reliability to the municipal utility. Under the Interconnection and Joint Ownership Agreements, Ames will have joint ownership in needed transmission/substation facilities. The agreements further codify that MidAmerican Energy Company will remain as Ames' Transmission Operator.

ALTERNATIVES:

1. Set May 12, 2026, as the public hearing date to consider three agreements with ITC for interconnection and ownership rights of Ames at the Prairie View Industrial Park substation.
2. Do not set a date of public hearing to consider an agreement with ITC 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. Additionally, these agreements accomplish several things beneficial 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 investment into transmission assets receive revenues from MISO. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.

ATTACHMENT(S):

[AMES- SECOND SET - PUBLIC HEARING-APPROVE RES, ENTERING INTO AGREEMENTS, PRAIRIEVIEW INDUSTRIAL SUBSTATION.pdf](#)

[AMES - Notice of Hearing.pdf](#)