ITEM #:	**30**
DATE:	**05-26-26**
DEPT:	**ELEC**

COUNCIL ACTION FORM

SUBJECT: **ELECTRIC SERVICES LOAD FORECAST SOFTWARE**

BACKGROUND:

Electric Services provides energy to most homes and businesses in Ames. Energy that is not produced by the City's local electric generation is purchased through a regional organization called the Midcontinent Independent System Operator (MISO). This energy is purchased on a day-ahead and real-time basis, to match customers' electric requirements with energy production. **To accomplish this purchasing task, sophisticated software is needed to generate electric load forecasting information to guide the right combination of local generation and market purchases.**

This action involves a subscription for load forecasting software customized for Ames that provides the necessary platform, tools, and functionality to enable staff at Electric Services to transact with the MISO Energy Market. The software utilizes a machine learning forecast engine utilizing AI technology and multiple weather forecasts to deliver accurate load forecasts that are customized for Ames, which enables Electric Services to market, schedule, and manage the City's load (the electrical demand needed by its customers) in MISO.

The use of this software enables staff to make strategic decisions to optimize the utility's portfolio in the MISO market. It is also of critical importance for monitoring and communicating peak load alerts for Ames. Electric Services has been using Enverus software since 2009. Rather than purchasing the software, the City leases the product.

Staff recommends that these services continue to be utilized on a renewable contract basis. The benefits of having a contract for these services in place include the following:

1. Enverus software is interlinked to the City system and is integrated with the City SCADA system and the City's Information Technology FTP servers. Data is exchanged between Enverus, SCADA, MISO software, and COA IT on an hourly basis 24/7. These custom features utilized by City staff would be lost by switching vendors.

2. The software provides accurate hourly, daily, and weekly power load forecasts customized for Ames that are updated every hour.

3. Instant access to the most current load forecasts efficiently streamlines MISO power purchasing and facilitates short-term and long-term planning strategies and budgeting, and peak demand alerts for Ames.

Enverus has offered the utility a 6% rate savings if the utility enters into a 5-year contract instead of a typical 1-year contract. The 5-year contract would still be billed in annual

installments:

$29,306.00 for FY 2026-27
$30,405.00 for FY 2027-28
$31,345.00 for FY 2028-29
$32,728.00 for FY 2029-30
$33,956.00 for FY 2030-31

The approved FY 2026/27 operating budget includes $30,000 for this software and related support services.

The City Council is being asked to approve a five-year agreement, rather than a one-year contract with renewal options. The agreement contains a non-appropriation clause that allows the City to cancel if funds are not appropriated in future City budgets.

ALTERNATIVES:

1. Waive the Purchasing Policies and Procedures requirement for formal bidding procedures and approve a five-year contract to Enverus, of Dallas, TX, in the total amount of $167,204.40 (inclusive of Iowa sales/use tax) for the period of July 1, 2026 through June 30, 2031.

   This agreement will contain a a non-appropriation clause that allows the City to cancel if funds are not appropriated in future City budgets.

2. Reject the renewal and direct staff to solicit bids from other companies for this service.

CITY MANAGER'S RECOMMENDED ACTION:

This contract will provide software service for Electric Services that assures fixed pricing, continuity of integration and service, and reduced administrative burden. Based on a thorough evaluation of the value staff is recommending continuing services with the current provider. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No.1 as stated above.