

# Welcome to Partners in Business

May 9, 2023



**Cheri Monahan**

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Stakeholder Relations*  
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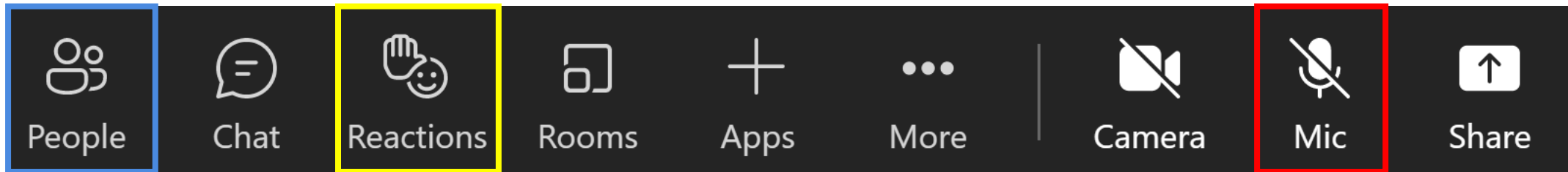


# Today's Facility and Meeting Accommodations

- Register for meeting: sign-in and enter drawing
- Refreshments
- Relax, enjoy and ask questions
- Restroom and facility locations
- Lunch
- Professional Development Hours (PDH) Attendance Form
  - Reach out to Aaron Curtis in-person or email
- Introductions



# Virtual Meeting Reminders



Click “People” to view virtual participants

If you have a question, please raise your hand and we will call on you

Please stay on mute unless you have a question

# Presentations Available Online

ITC Midwest Partners in Business website:

<https://www.itc-holdings.com/op/itc-midwest/midwest-partners-in-business>

MISO OASIS website:

<http://www.oasis.oati.com/ITCM/index.html>

Feedback for today's meeting:

<https://forms.office.com/r/RE9iE21M5i>



# Today's Themes

## ITC Midwest and the External Landscape

*Dusky Terry, Scott Drzycimski and Nathan Benedict*

## Short and Long-Term Project Planning

*Robert Walter and Brian Drumm*

## Customer Solutions

*Robert O'Meara, Alan Nasr and Cheri Monahan*

## Summer Preparedness

*Matt Heinisch*



# Safety Message



**Aaron Curtis**

*Lead Account Representative, Stakeholder Relations*  
*[acurtis@itctransco.com](mailto:acurtis@itctransco.com)*



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# Federal Regulatory Update



**Nathan Benedict**

*Manager, Regulatory Strategy*  
*[nbenedict@itctransco.com](mailto:nbenedict@itctransco.com)*



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# FERC COMMISSIONERS



# FERC



**Chairman Willie Phillips (D)**  
Term Expires 6/30/2026



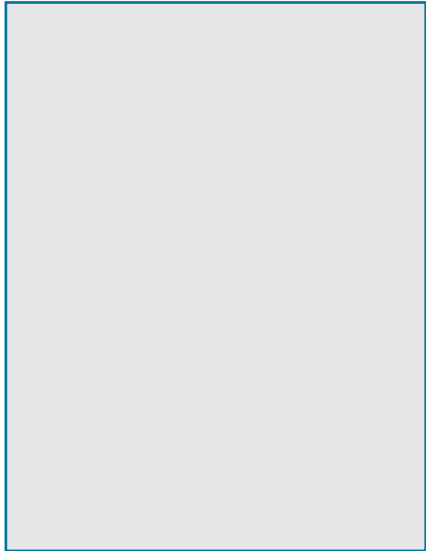
**Commissioner James Danly (R)**  
Term Expires 6/30/2023



**Commissioner Allison Clements (D)**  
Term Expires 6/30/2024



**Commissioner Mark Christie (R)**  
Term Expires 6/30/2025



**Vacant**  
Term Expires 6/30/2027



# Current Priorities



## Reliability

- Physical security standards
- Resilience in the face of extreme weather
- Cybersecurity incentives

## Affordability

- Cost management
- Generator interconnection
- Transmission planning

## Sustainability

- Environmental justice and equity
- Transparency and public participation

# Pending Rulemakings

## **Transmission incentives (April 2020 / March 2021)**

- Shift to focus on benefits to customers rather than risks and challenges; project-specific ROE adders for projects providing defined economic and reliability benefits; sunset RTO adder after 3 years

## **Regional transmission planning and cost allocation (April 2022)**

- Would require long-term, scenario-based transmission planning; enhanced transparency; formal role for states in developing cost allocation; reinstatement of federal rights of first refusal for some projects

## **Generator interconnection (June 2022)**

- Proposed reforms intended to address interconnection queue backlogs, provide certainty, and prevent undue discrimination for new technologies

# Current Areas of Inquiry

## **Transmission planning and cost management** (December 2022)

- Questions related to asset management and local planning, cost variance analysis, Independent Transmission Monitor concept, formula rates and prudence reviews, gaps between federal and state regulatory processes
- Comments filed March 2023; ITC filed reply comments April 2023

## **Minimum interregional transfer capability** (February 2023)

- How to value interregional transfer capability, considerations around developing a minimum requirement, and cost allocation for new facilities
- Area of focus due to increasing frequency and severity of extreme weather events that threaten grid reliability
- Initial comments due May 15; reply comments due July 3



# Appellate Cases Remanded to FERC

## Return on equity for MISO transmission owners

- Complaints from 2013 and 2015 have been extensively litigated
- D.C. Circuit remanded cases to FERC for the second time in August 2022 due to inclusion of the risk premium model in its methodology
- No timeline for FERC to act; base ROE of 10.02% remains on file

## Self-funding for interconnection-related network upgrades in MISO

- Remanded to FERC in December 2022 to address a limited issue: generators' arguments that transmission owners with generation could discriminate in their decision to self-fund
- No timeline for FERC to act; transmission owners may continue to self-fund

**Questions?**



**Nathan Benedict**

*Manager, Regulatory Strategy*  
*[nbenedict@itctransco.com](mailto:nbenedict@itctransco.com)*



# ITC Value & Affordability Initiative



**Robert O'Meara**

*Manager, Business Affairs*  
*romeara@itctransco.com*



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# ITC Value & Affordability

Corporate Stewardship

External Economic  
Landscape

Customer Demands &  
Expectations



## CUSTOMER VALUE & AFFORDABILITY STRATEGIC MISSION

Examine the current operating procedures of ITC to identify internal efficiencies, maintain our commitment of being cost conscious, while preserving an unwavering commitment to owning and operating a reliable and resilient grid.



**Questions?**



**Robert O'Meara**

*Manager, Business Affairs*  
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# Load Forecast



**Alan Nasr**

*Principal, Economic Analyst*  
*[anasr@itctransco.com](mailto:anasr@itctransco.com)*



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# Overview

## Economic Trends

- Inflation
- Labor Markets
- Real Personal Income
- Monetary Policy
- Real GDP
- Recession Probability
- Real GMP (ITCMW Footprint)

## Forecasting Methodology

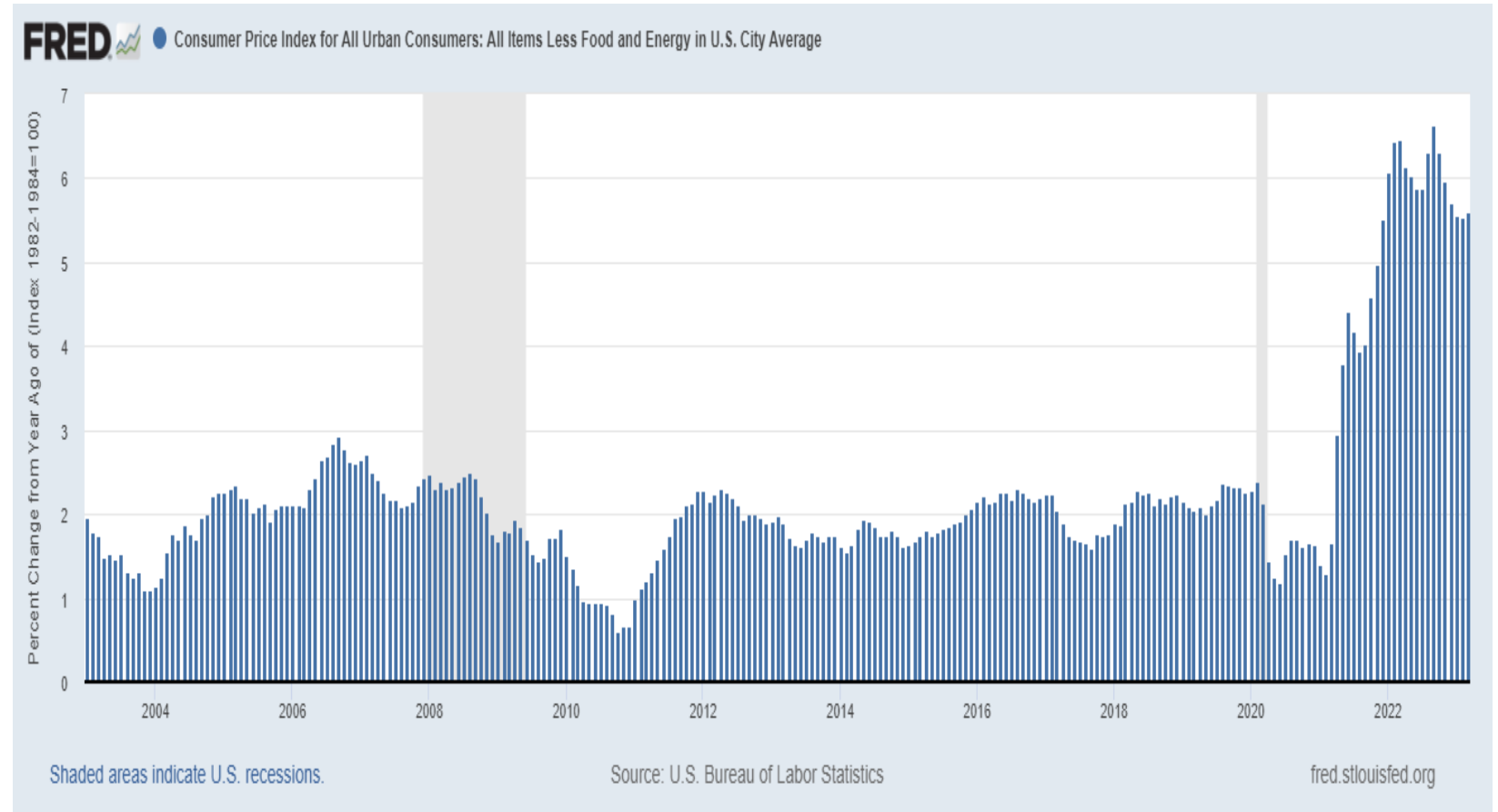
- Model inputs
- Weather Normalized Forecasting
- 2023 Load Forecast

## Conclusions

# Inflation Trends

- Inflation continues to decelerate
- 5.6% YoY consumer price inflation remains above Fed's 2% target
- Fed Funds rate is expected to increase further to the 5%-5.25% range

## Core Inflation (Less food and energy)

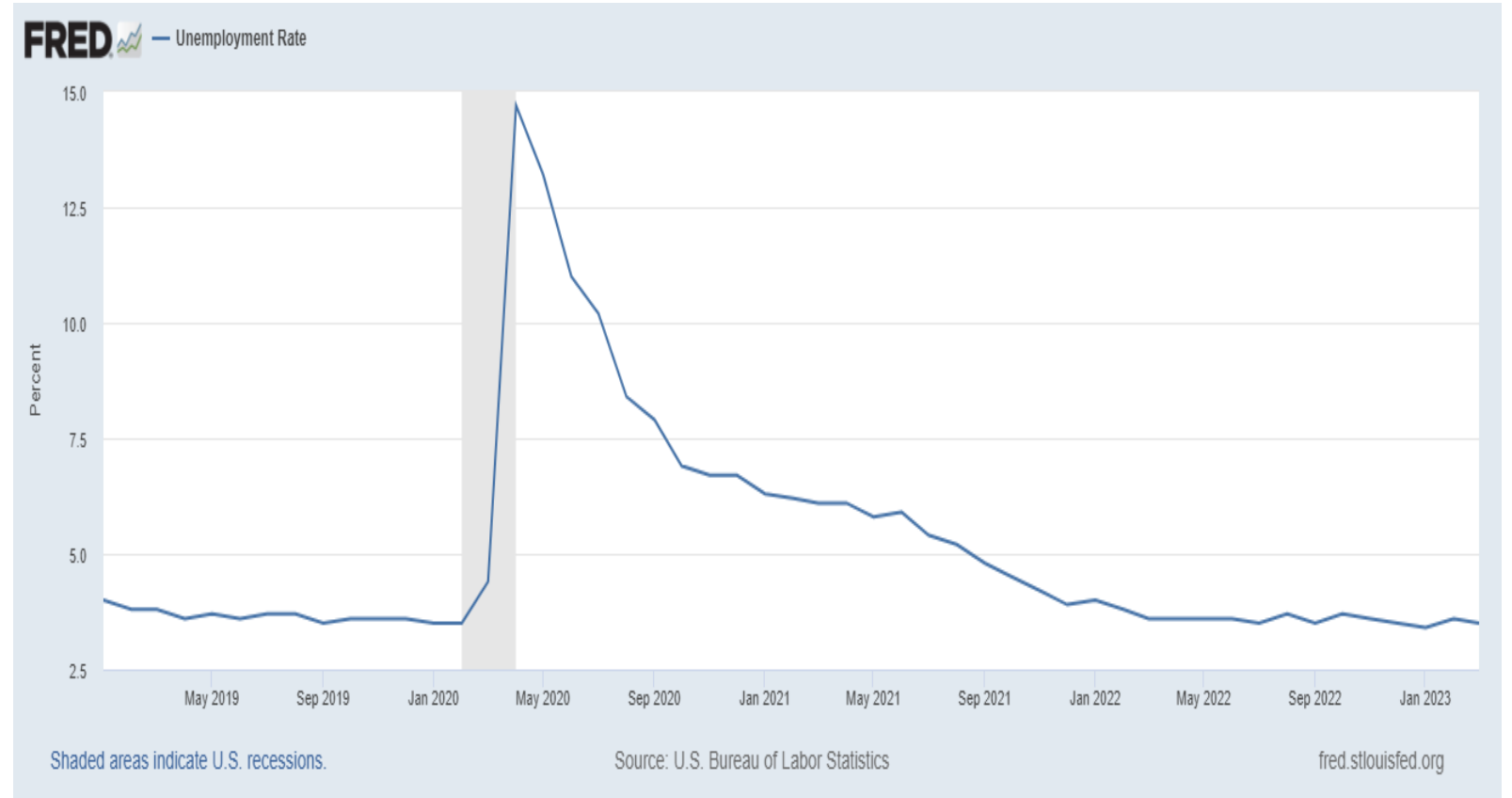




# Labor Markets

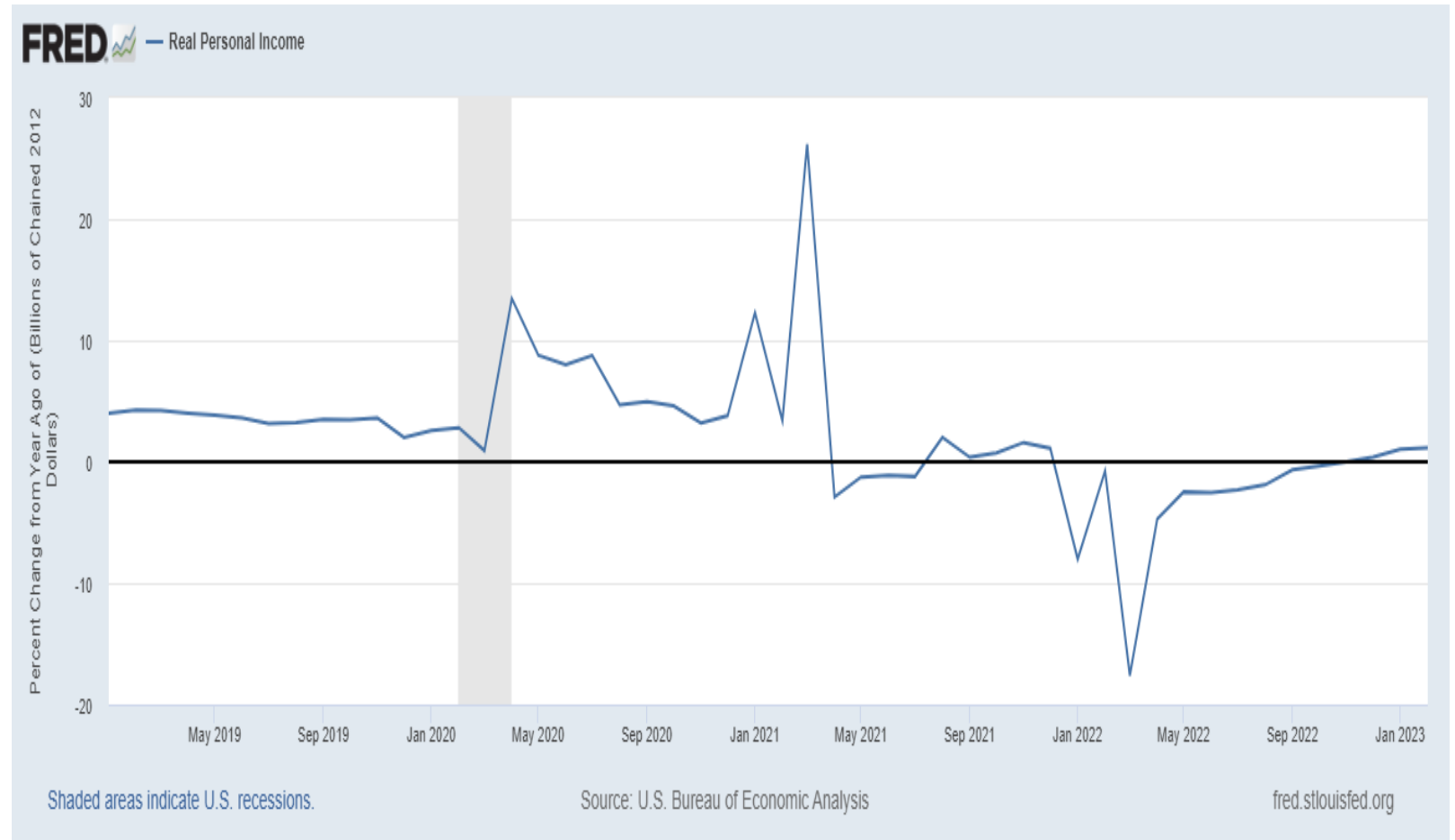
- Unemployment rate expected to rise by about 0.5 percentage points over next year
- Labor market tightness remains the key indicator for policymakers

## Unemployment Rate



# Real Personal Income

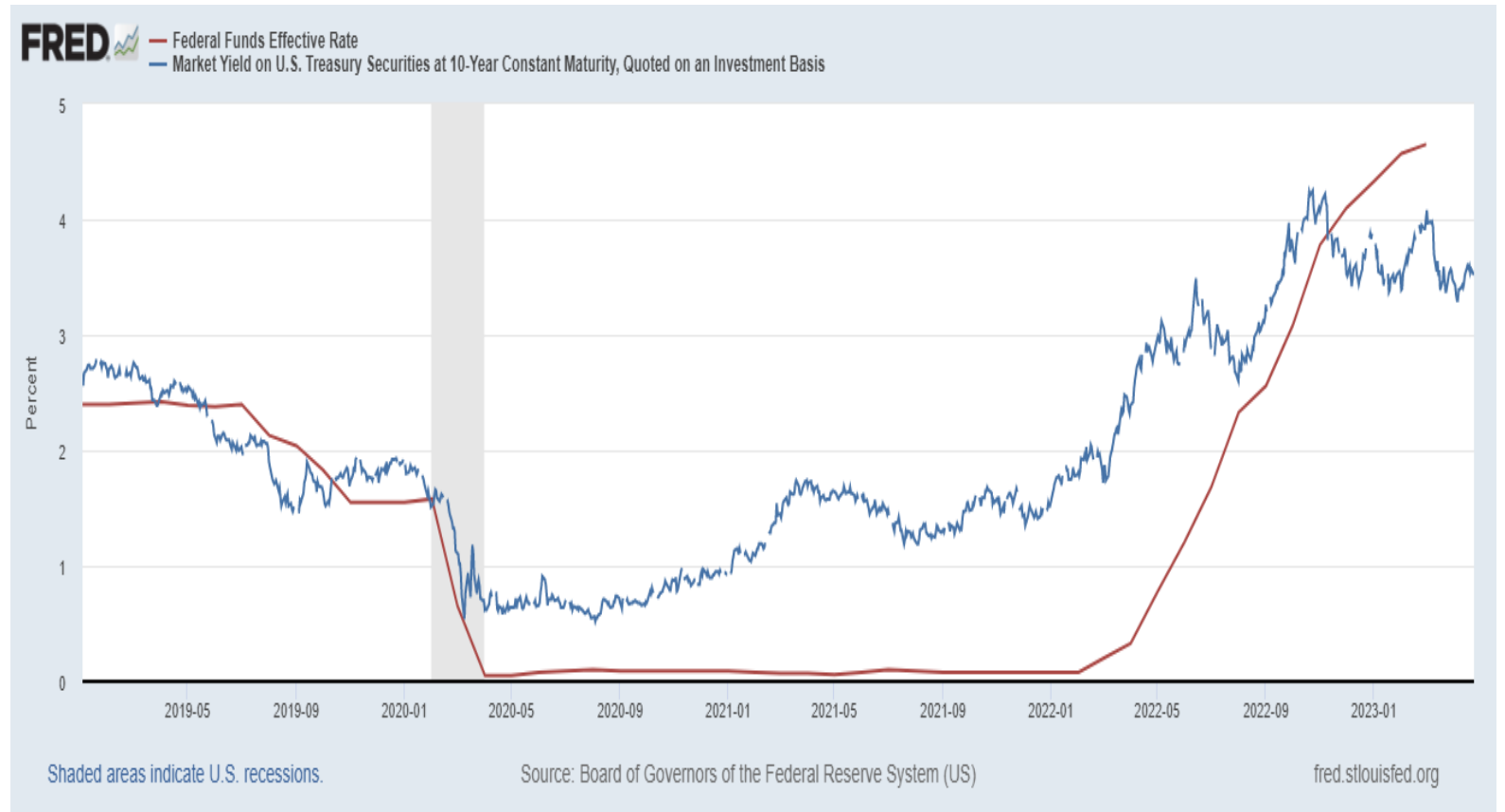
- Real (inflation adjusted) personal income has declined substantially during 2022 and is now relatively flat.
- Incoming wage data for Q1-2023 expected to decline further.



# Monetary Policy

- 10-year Treasury yield averaged 3.65% in Q1 2023
- Briefly breached 4% in early March, fell below 3.5% in early April and is now averaging hovering at ~3.6%
- Yield projected to peak at 4% in Q4 2023, then decline into 2025
- Fed Funds rate is expected to reach the 5-5.25% range this May

## Effective Fed Funds Rate Vs. 10 Year Treasury Yield

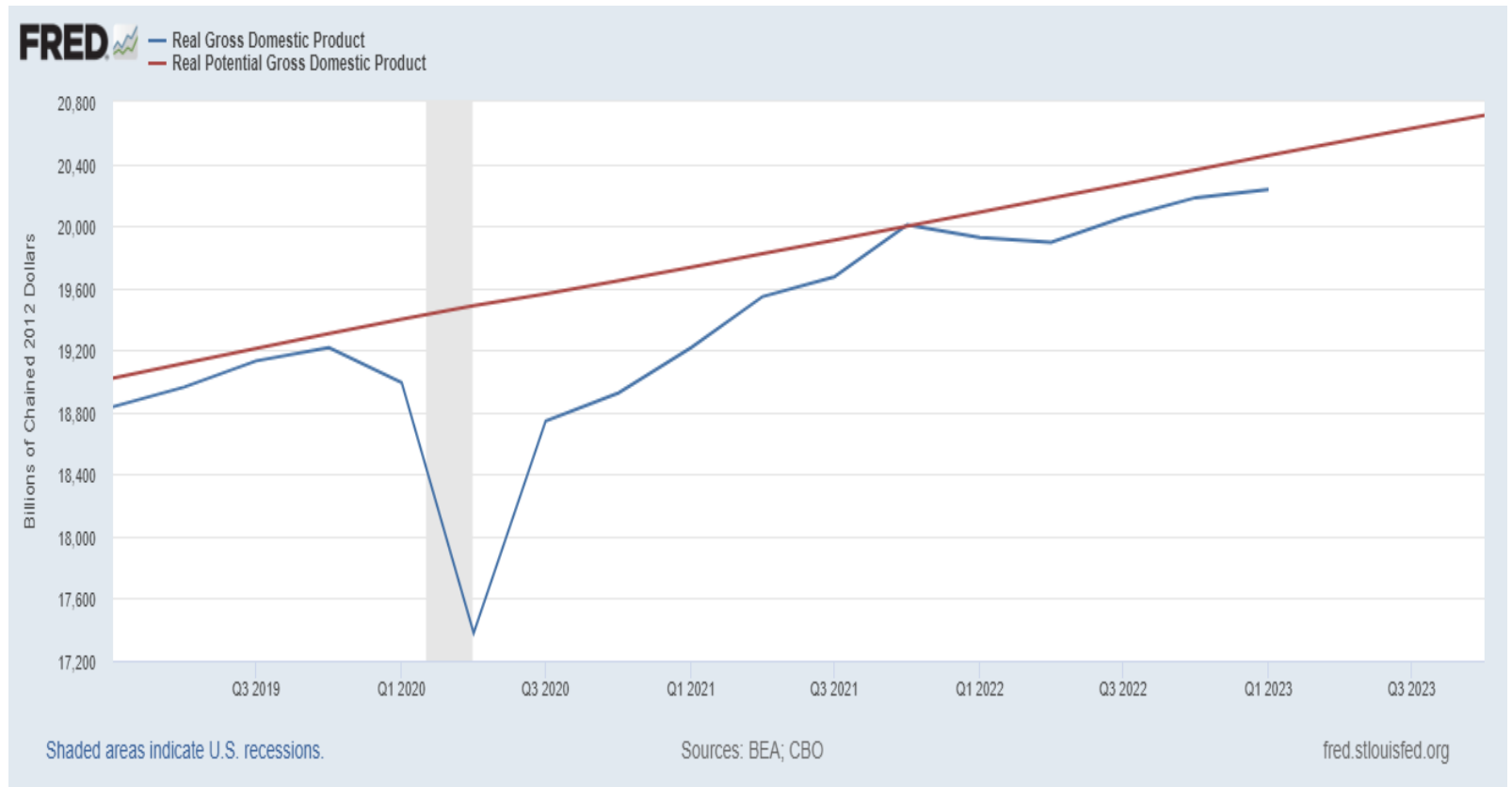




# US Real Gross Domestic Product

- Q1 Real GDP annualized rate of 1.1% - below expectations
- Modest deceleration expected in Q2-Q3 2023 due to weaker consumer spending and sentiment
- The outlook is for an annual average growth rate of 1.7% in 2023 and 2024

## Real Gross Domestic Product (RGDP) & Output Gap



# Recession Probability

## Probability of U.S. Recession, Twelve Months Ahead of Term Spread Readings

Percent (monthly average)



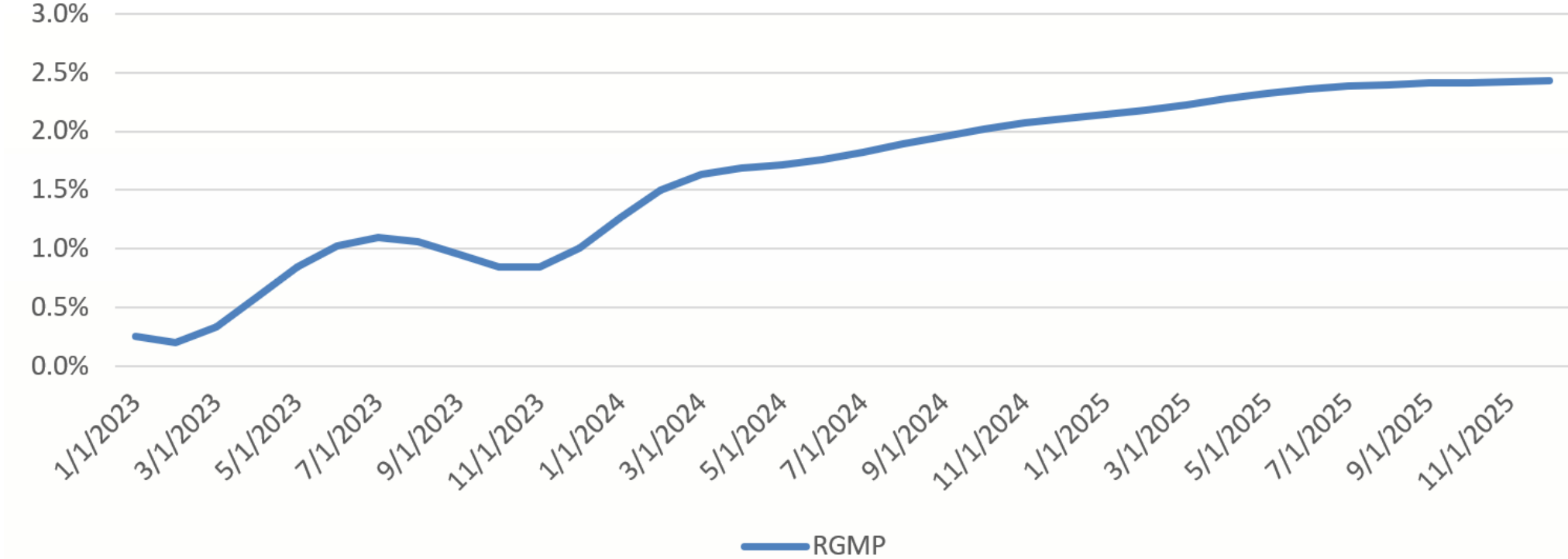
Sources: Board of Governors of the Federal Reserve; National Bureau of Economic Research; authors' calculations.

Notes: Parameters estimated using data from January 1959 to December 2009; recession probabilities predicted using data through July 2019. The parameter estimates are  $\alpha = -0.5333$ ,  $\beta = -0.6330$ . The shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

# Real Gross Metro Product (RGMP)

## Real Gross Metro Product ITCMW Footprint

ITCMW RGMP YoY Growth %







# Forecasting Methodology

## Forecasts for operating companies are driven by two factors:

- Expected economic and demographic conditions
  - Moody's Analytics is the primary source utilized for short-range and long-range economic and demographic indicators
  - 50<sup>th</sup> percentile base projections of economic and demographic variables are used as independent variables
  - Observed weather data from NOAA
- Expected weather conditions
  - Weather variables are based on a 15-year average of monthly peak day temperatures

# Underlying Economic Assumptions

**Macroeconomic indicators are incorporated into the forecasting process as inputs from Moody's Analytics.**

## **Assumptions:**

- One more 0.25-percentage point rate hike is expected in May, reaching a range of 5% to 5.25% for the fed funds rate.
- Moody's baseline outlook remains that the Fed successfully curbs inflation without causing a recession.
- The baseline assumes \$908 billion in additional stimulus - assumed to be the last round of fiscal stimulus.
- The unemployment rate is currently at 3.5% unemployment and is expected to rise to 4% by year end.



# Weather Normalized Forecast

## A multivariate weather normalized model:

$$y = \beta_0 + \beta_1 \cdot \text{Trend Variable}(s) + \beta_2 \cdot \text{Seasonal Variable}(s) + \varepsilon$$

$y$ —Dependent Variable

Trend Variable—Independent/Explanatory Variable (typically an economic or demographic variable)

Seasonal Variable—Independent/Explanatory Variable (typically weather variables such as CDD, HDD or Temperature)

$\beta_0, \beta_1$ —Coefficients of the model; constants

$\varepsilon$ —Error term

Future values for economic and demographic data are based on forecast values.

Weather variables are based on '*Normal Weather*' (15-year average weather)

# ITCMW Peak Load Forecast 2023

ITCMW 2023 Peak Load Forecast (MW)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Forecast	2,788	2,734	2,585	2,387	2,678	3,152	3,407	3,269	3,158	2,582	2,613	2,725
Actual	2,726	2,749	2,570	2,385								

# Conclusions

**Moody's current 50<sup>th</sup> percentile growth projections reflect flat growth in most of Iowa's and Minnesota's metropolitan statistical areas.**

## **Risks to forecast:**

- The Fed may tighten too aggressively due to strong job growth and high inflation, potentially leading to reduced consumer confidence, consumer spending, and recession.
- Unforeseen financial system weaknesses could limit credit access and push the economy into recession if not managed effectively.
- Geopolitical conflicts and global supply shocks
- A wage-price spiral could lead to persistently higher inflation, exceeding pre-pandemic levels and the Federal Reserve's target rate.



**Questions?**



**Alan Nasr**

*Principal, Economic Analyst*  
*[anasr@itctransco.com](mailto:anasr@itctransco.com)*



# Economic Development



**Cheri Monahan**

*Director, Customer & Business Solutions,  
Stakeholder Relations*  
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# Topics



- My background
- What is economic development?
- Why is it important?
- What we are doing
- Future Opportunities



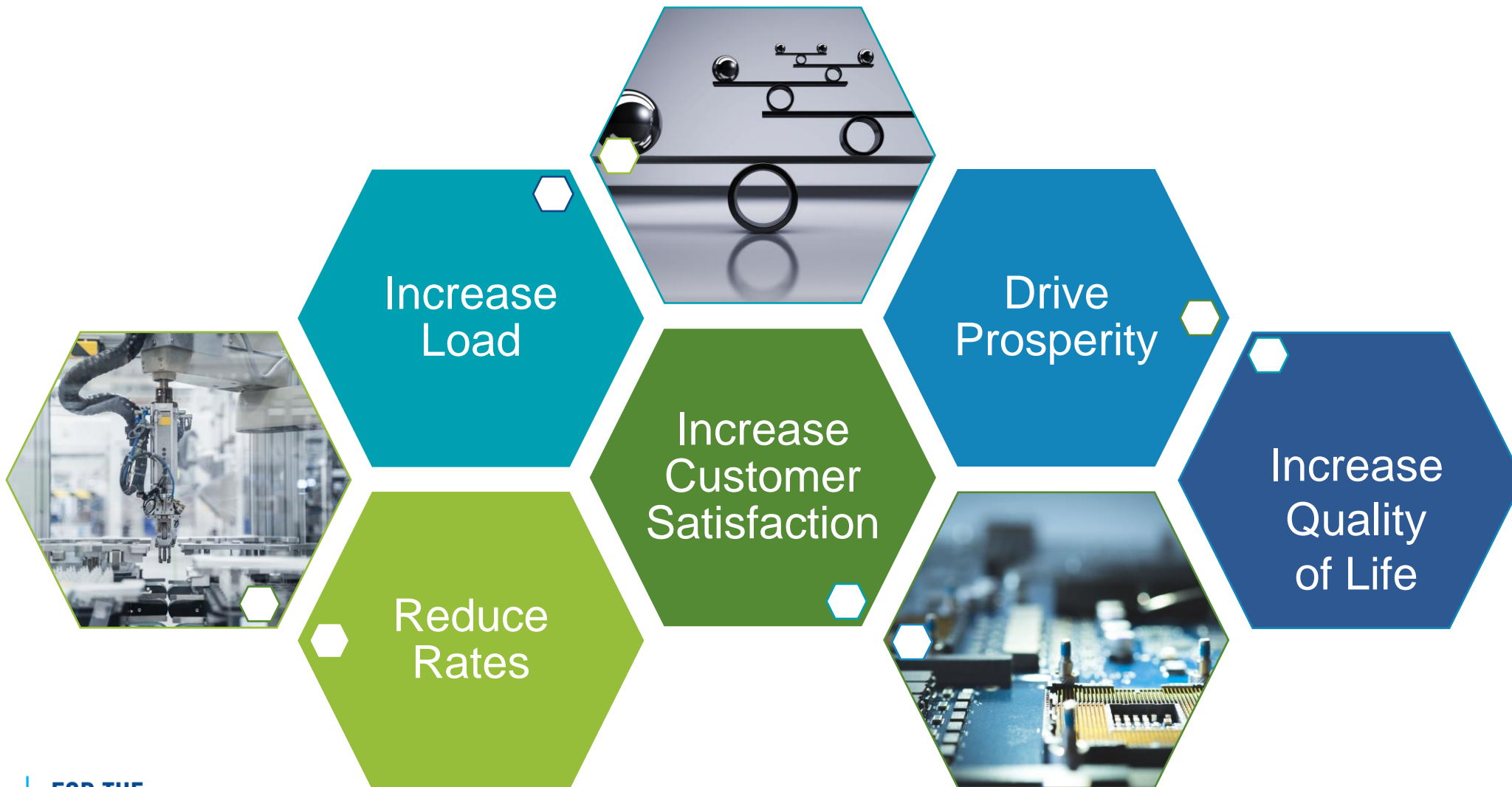
# What is Economic Development?

Programs, policies and actions that seek to improve the economic well-being and quality of life for a community.

- The actions used to drive economic development are varied and can include:
  - Site development and readiness
  - Business retention & expansion
  - Workforce development
    - Training
    - Childcare
    - Workforce attraction
  - Incentive development
  - Workforce housing
  - Quality of place



# Why is it important for ITC Midwest?



# Denominator Issue

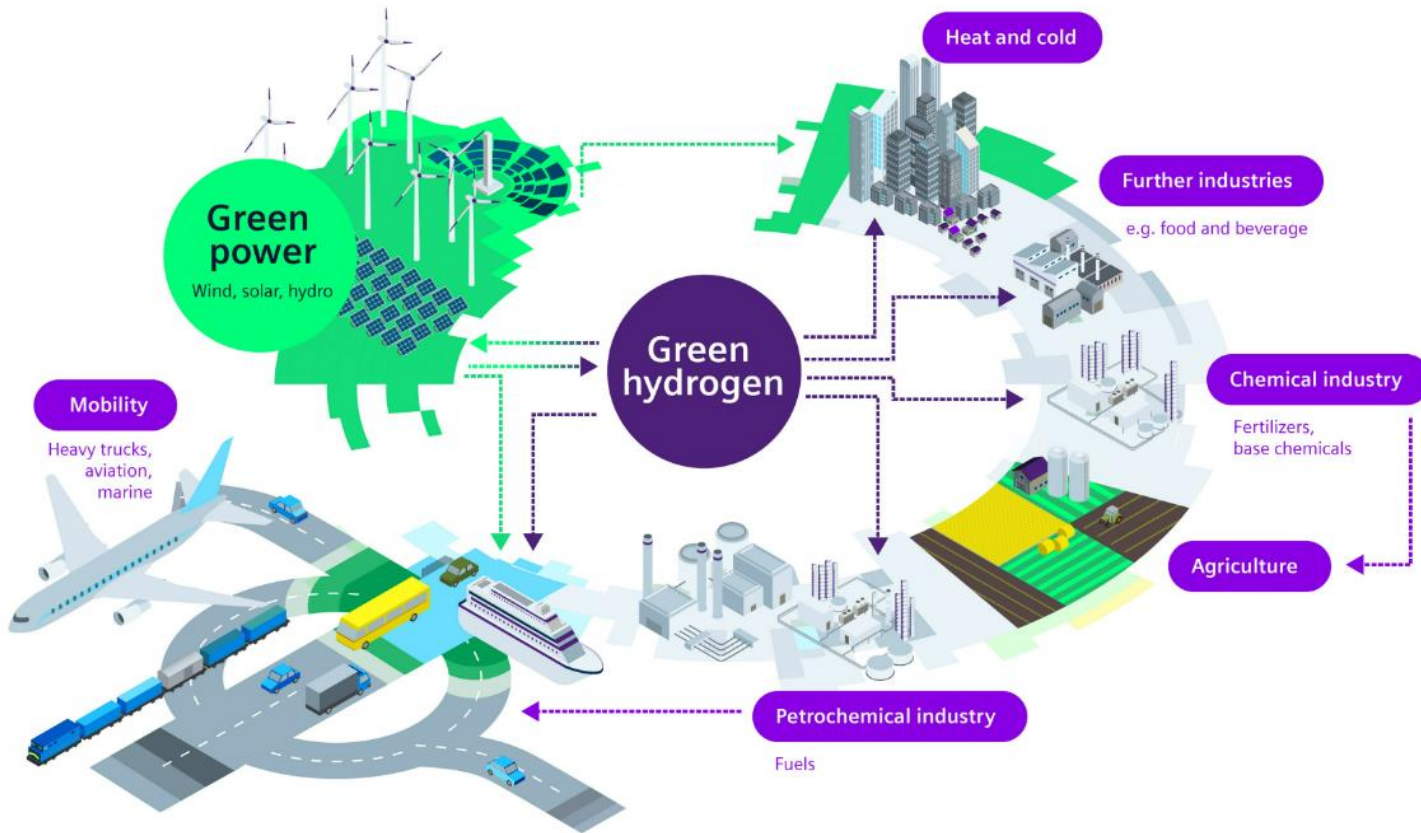




# What are we doing?

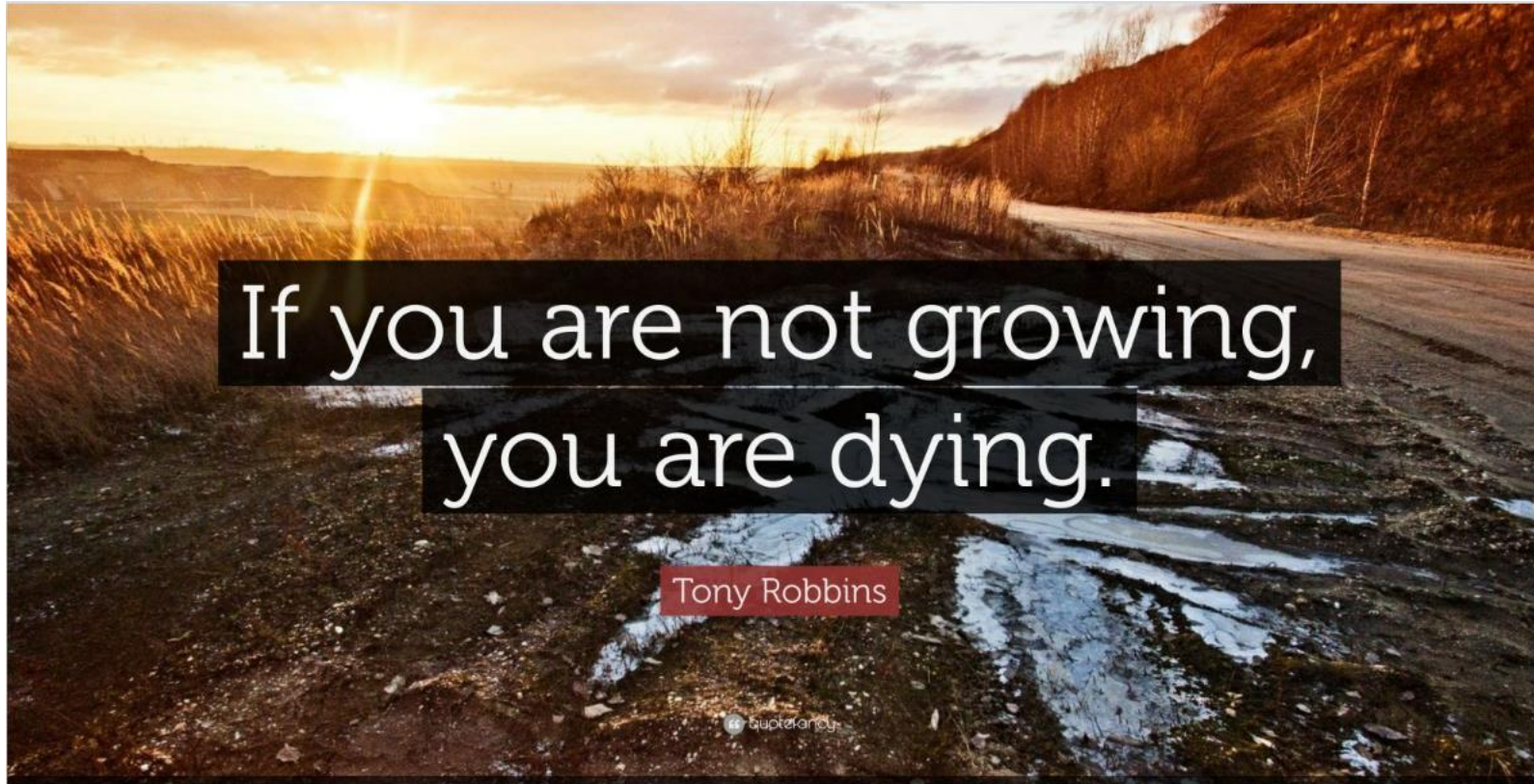
- Aligning our economic development goals with our Stakeholders
- Business, Retention & Expansion (BRE) Visits
  - Co-Calling on your largest energy users to identify opportunities and reduce threats
- Supporting our local EDOs
  - Financial Support
  - Strategic Planning
  - Educational opportunities
    - DEV2023 May 18<sup>th</sup> in Des Moines
    - Professional Developers of Iowa (Spring and Fall Conferences)
    - Iowa Rural Development Council – Iowa Rural Summit
    - ABI: Taking Care of Business June 13-15 & Leadership Iowa

# Future Opportunities



- Clean energy transition will create opportunities
  - Mid-Continent Clean Hydrogen Hub (MCH2)
- Federal Funding Opportunities will continue
- Pace/size of projects are not slowing
  - Speed to market (regulatory)
  - Capacity to serve
  - Reliability
  - Renewable Energy

# Future Opportunities



**Let's discuss your growth goals**  
**Let's identify the opportunities**



**Questions?**



**Cheri Monahan**

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**Break**



# Summer Preparedness & Storm Recap



**Matt Heinisch**

*Supervisor, Operational Planning*  
*mheinisch@itctransco.com*



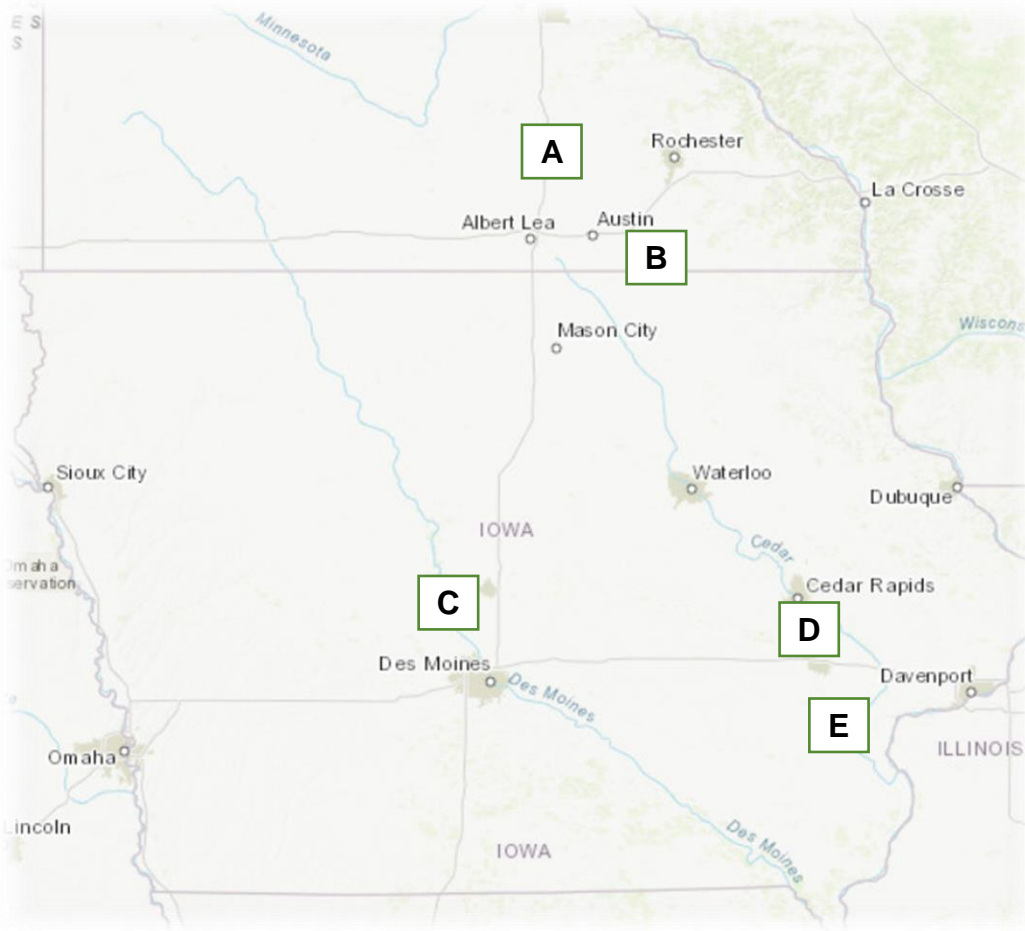
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# Summer Preparedness

- Recent System Upgrades
- Generation Changes
- Load & Weather Expectations
- Summer Assessment Studies & Results
- Managing Planned Outage Risks
- March 31 Storm Review

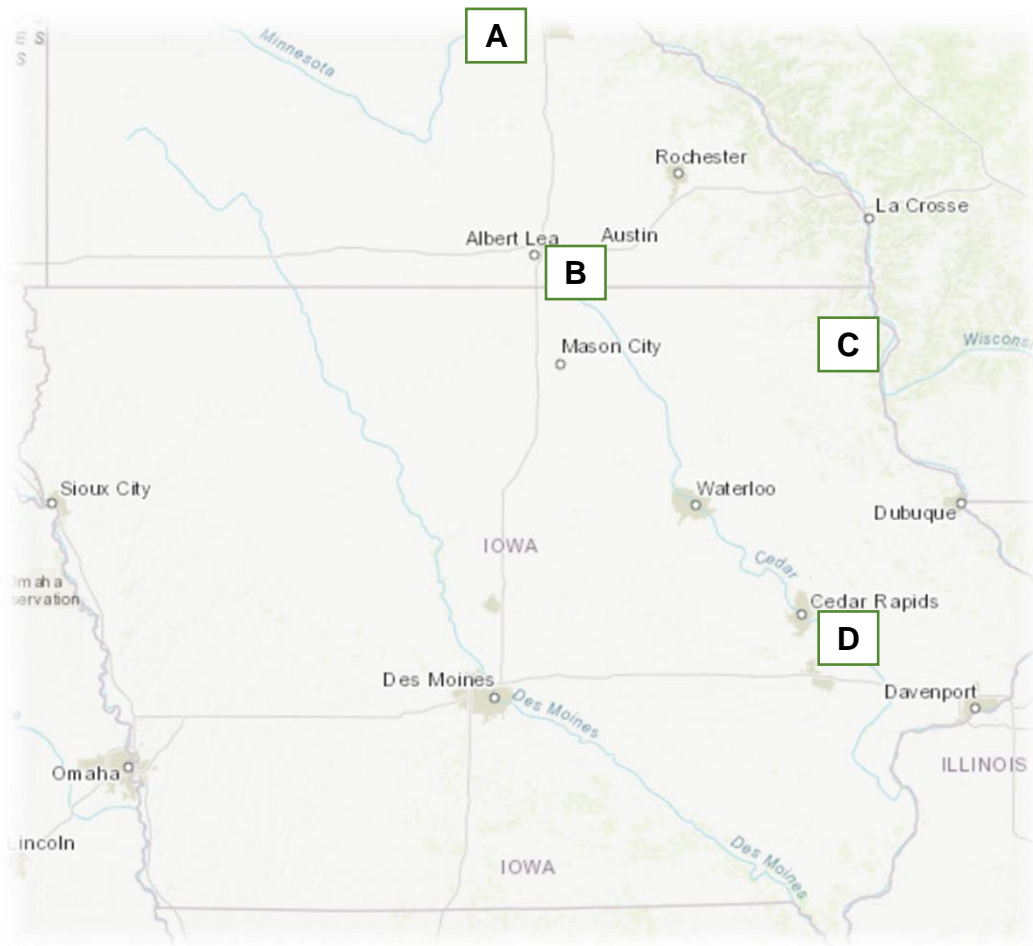


# Transmission System Upgrades



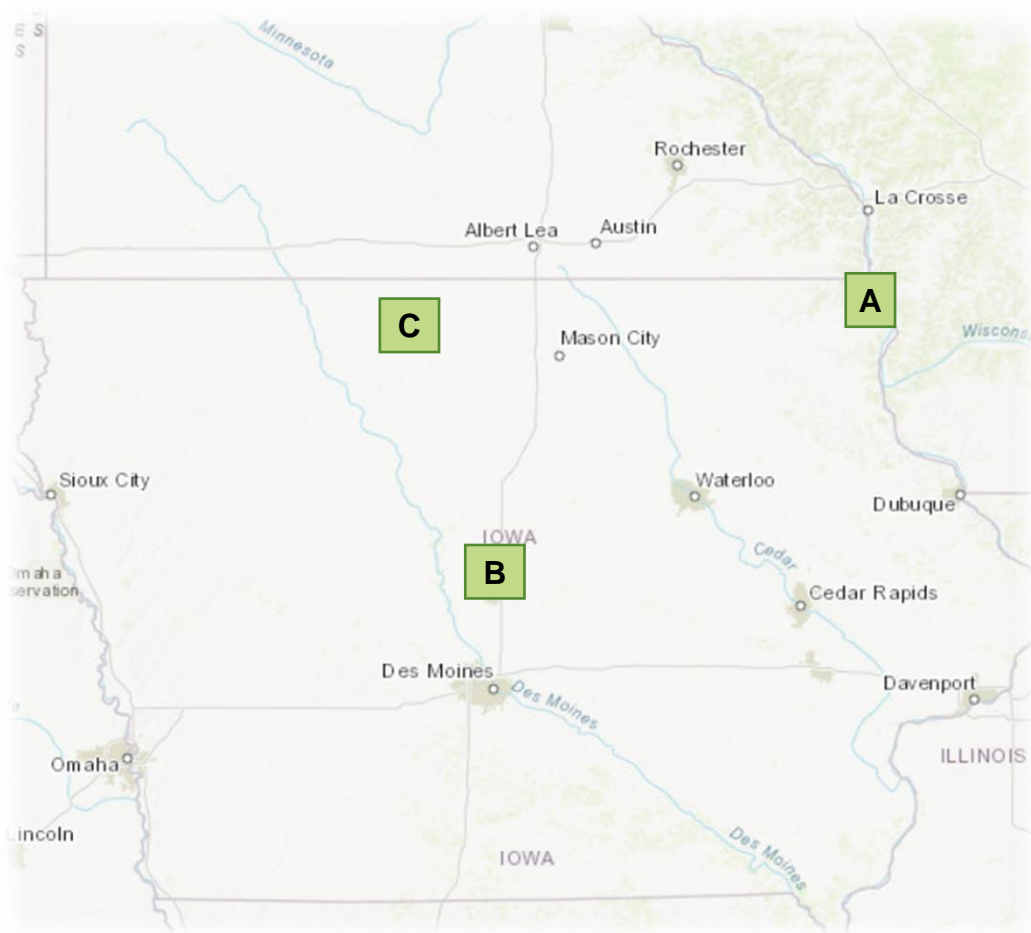
- A. Ellendale-West Owatonna Rebuild
- B. Adams 161kV Substation Rebuild
- C. Madrid North 34.5kV Conversion to 69kV
- D. Cedar Rapids-Iowa City Network Improvements
- E. New Cedarcrest Substation

# Transmission System Upgrades



- A. Waseca Jct-French Lake Rebuild
- B. Hayward-Glenworth Terminal Limit Upgrade
- C. Ongoing Lansing-Monona Rebuild
- D. Mount Vernon-Eagle 34.5kV to 69kV Conversion

# Generation Changes



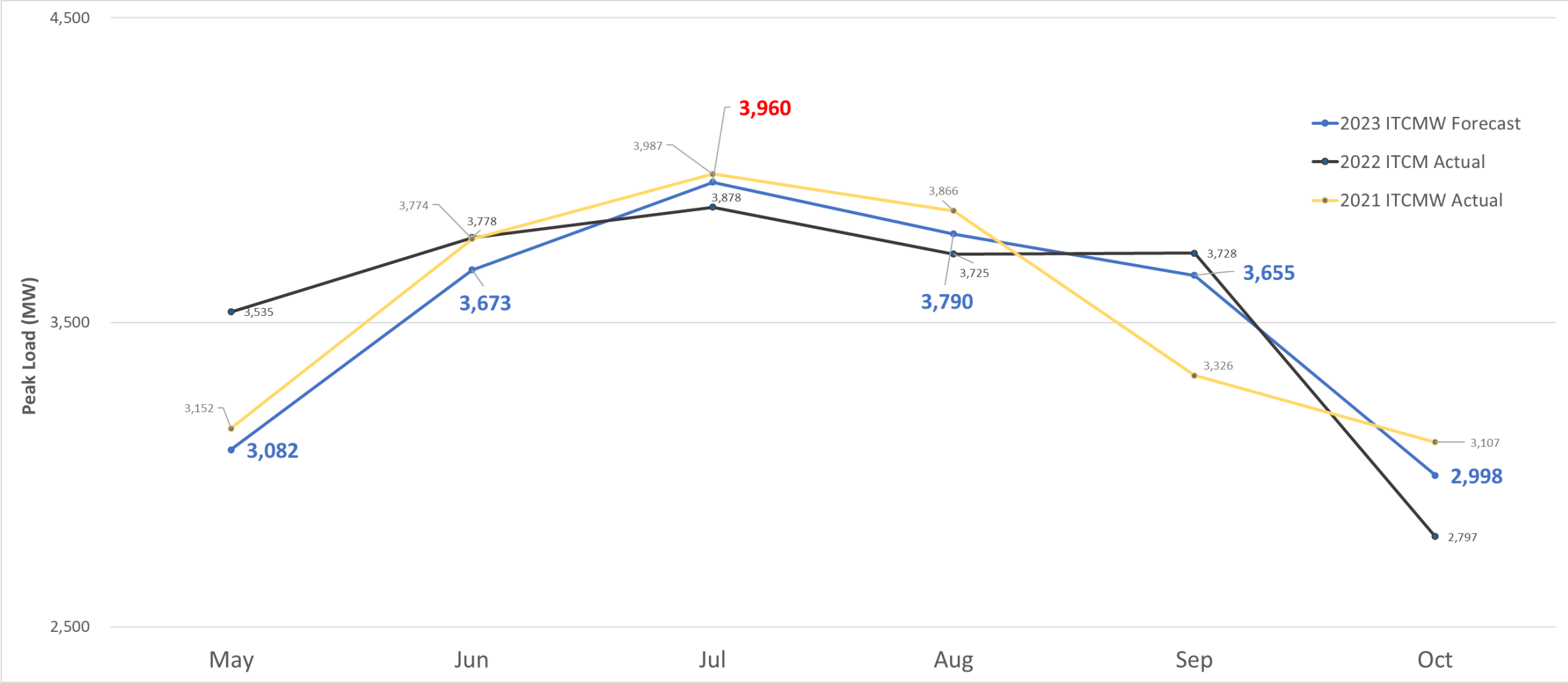
A. Lansing Retirement: 274 MW

B. New Wind (Doud): 224 MW

C. New Wind (Ledyard): 200 MW



# Monthly Control Area Load



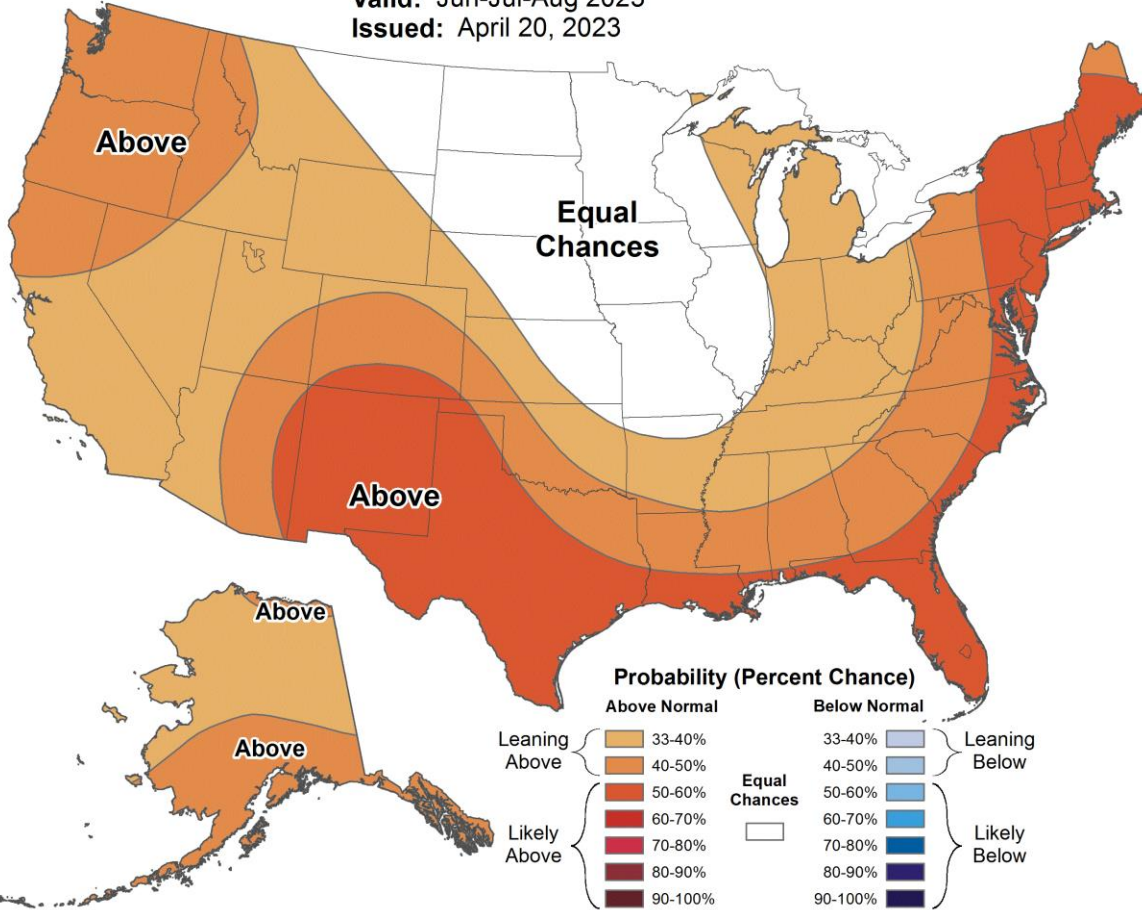
# Summer Climate Forecast



## Seasonal Temperature Outlook



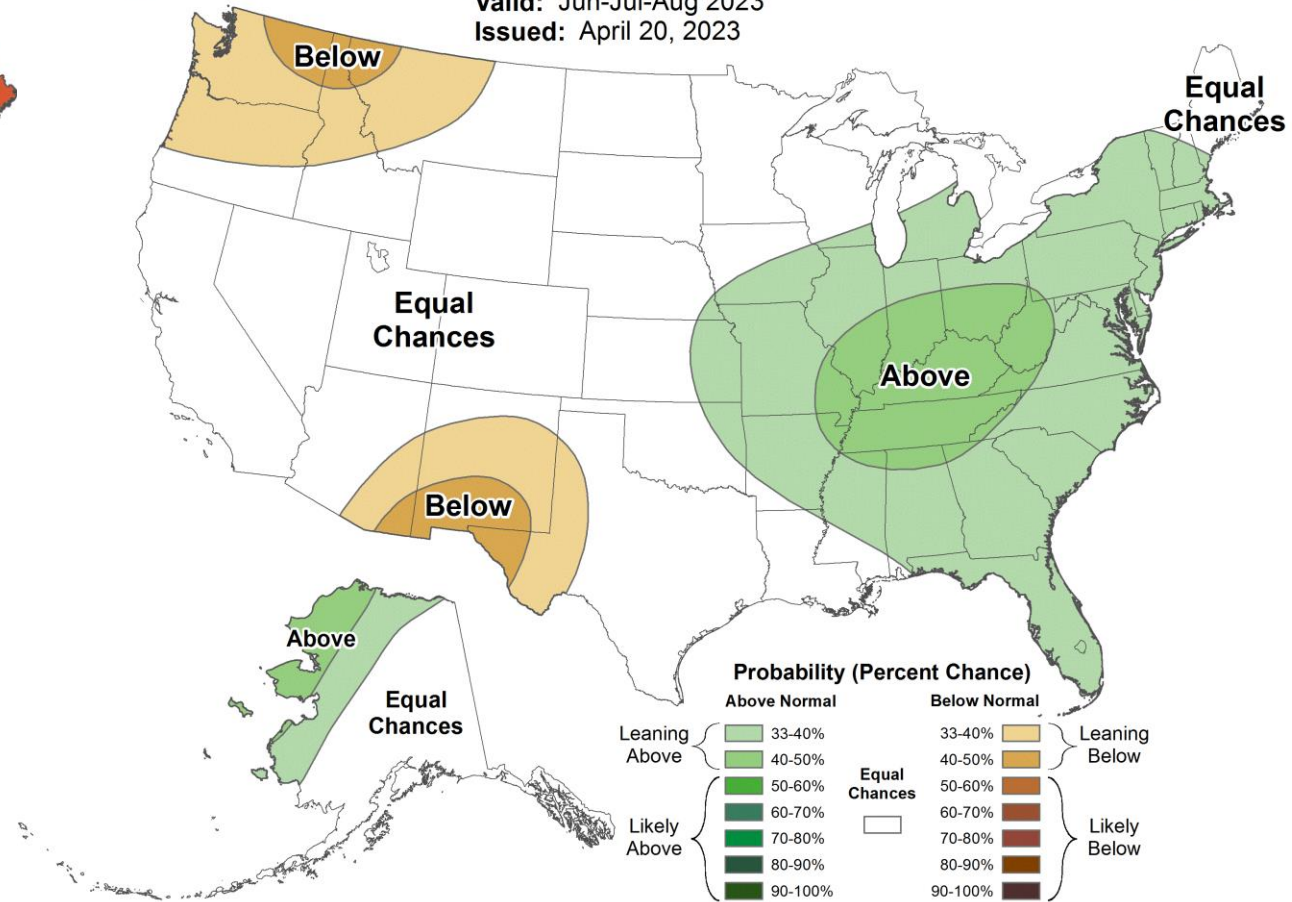
Valid: Jun-Jul-Aug 2023  
 Issued: April 20, 2023



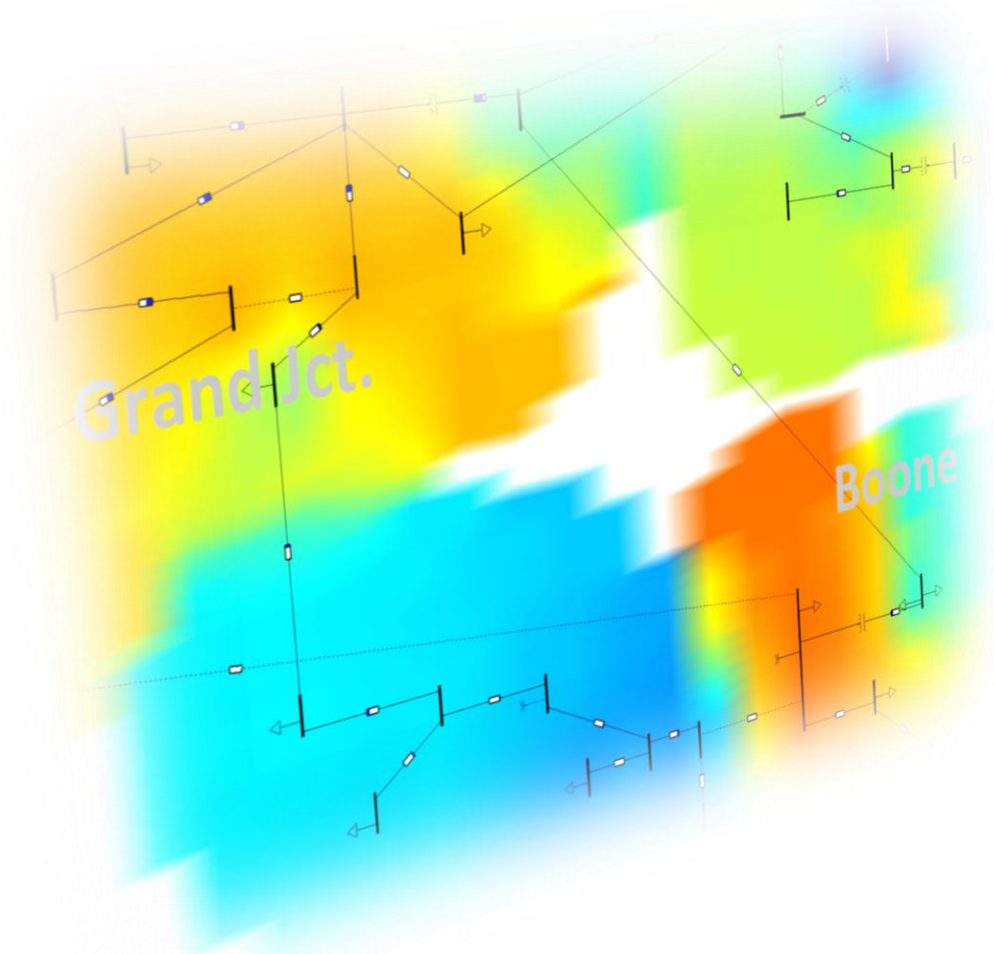
## Seasonal Precipitation Outlook



Valid: Jun-Jul-Aug 2023  
 Issued: April 20, 2023



# Summer Assessment



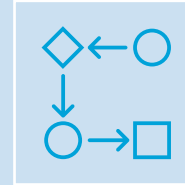
- Daily studies from May 1 – Sept. 30
- Run through High Wind, No Wind, and Standard Generation Dispatch Scenarios
- Expected summer outages studied
- Use estimated peak load with additional margin.
- Generation sensitivity for Ottumwa Generation



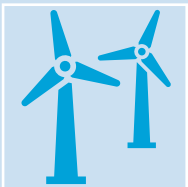
# Summer Assessment



Develop operating guides for expected issues.



Adjust outage schedules to reduce system risk.



Mitigate outage impacts to generation in summer.



Coordinate with external entities on identified issues.

# Managing Outage Risks

- Which outages have little change in system impact if they go in the summer – candidates to run the outage during the summer.
- Outages whose system impact greatly increases during the summer – ideal candidates to reschedule to spring or fall.
- When the risks can't be avoided – Impact & Risk Management Process
- Removing outages from the summer that have impact to generation (congestion or direct outlet impact) – attempt to minimize those impacts.

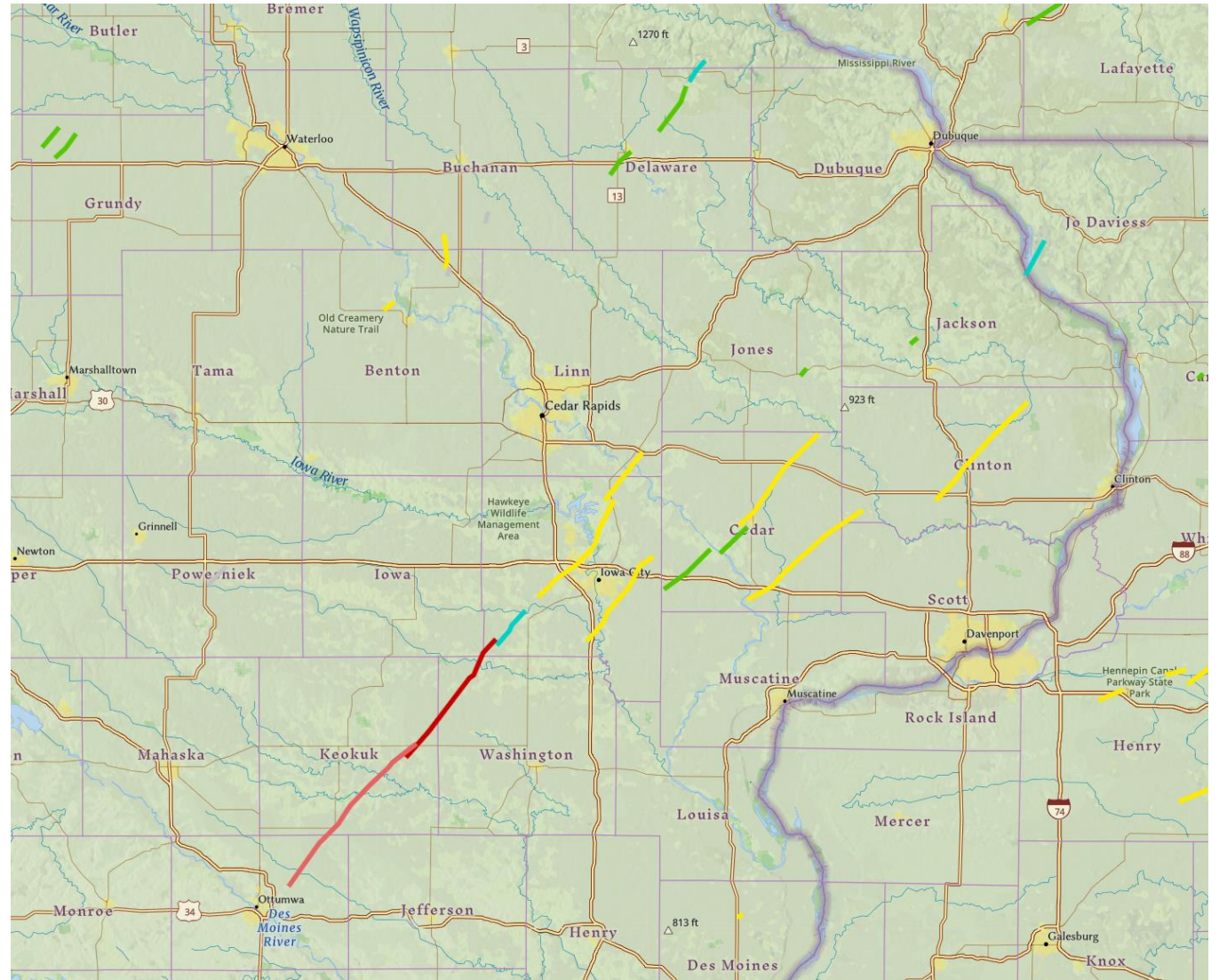


# Storm Update – March 31



# March 31<sup>st</sup> Storm Event Recap

- 30 Confirmed Tornadoes
- Straight Line Thunderstorm Winds 80-90mph
- EF4 – Approx. 170mph winds



# Storm Preparations



- Account for Resources
- Perform Material Assessment
- Return Lines to Service
- Additional Control Room Staffing



# Damage

- 14 interruptions to ITC majority-owned lines
- 10 sustained outages
  - 4 were intersected by tornado paths
- 4 momentary outages
- 31 Distribution Subs Impacted
  - 29 of 31 restored in under 7 Hours
  - Average Restoration of 29 Subs: 83 Minutes





# Post-Storm

## Prioritization of Patrols

- Momentary Outages
- Out of Service in Storm Path
- Tornado Impacted Area
- Other Lines in Storm Area as Needed





# Flooding Preparations





**Questions?**



**Matt Heinisch**

*Supervisor, Operational Planning*  
*mheinisch@itctransco.com*





# Lunch



# Cardinal-Hickory Creek Video



# ITC Midwest Update



**Dusky Terry**

*President, ITC Midwest*  
*[dterry@itctransco.com](mailto:dterry@itctransco.com)*



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# State Regulatory Update



**Scott Drzycimski**

*Director, Public Affairs*  
[sdrzycimski@itctransco.com](mailto:sdrzycimski@itctransco.com)



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# Welcome to the ITC Family!

**Chase Miles**

Born February 28, 2023

6 lbs., 14.5 oz.

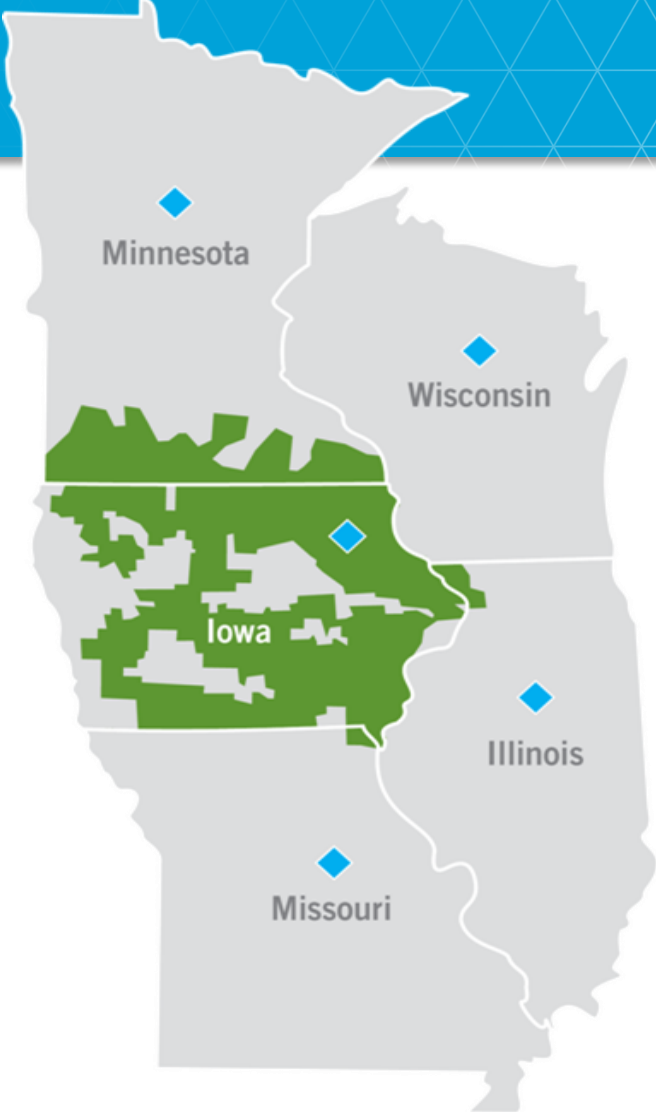




# Regulatory Strategy

Engagement and  
Transparency

Training and  
Information



-  ITC Midwest
-  FERC-Regulated Transmission Owner



# Regulatory Updates – Minnesota

## Minnesota Topics:

- Commission remains the same
- No new topics directly impacting transmission regulation



**Sieben (Chair)**



**Sullivan**



**Means**



**Schuerger**



**Tuma**



# Regulatory Updates – Iowa

## Iowa Topics:

- Board and OCA changes
- LRTP progress
- Chapter 11 rules
- Supreme Court Actions

### Franchises completed since September:

Extensions: 8

Amendments: 1

New franchises: 4

**Total:13**





## Iowa Utilities Board



**Helland (Chair)**



**Byrnes**



**Martz**

## Office of Consumer Advocate



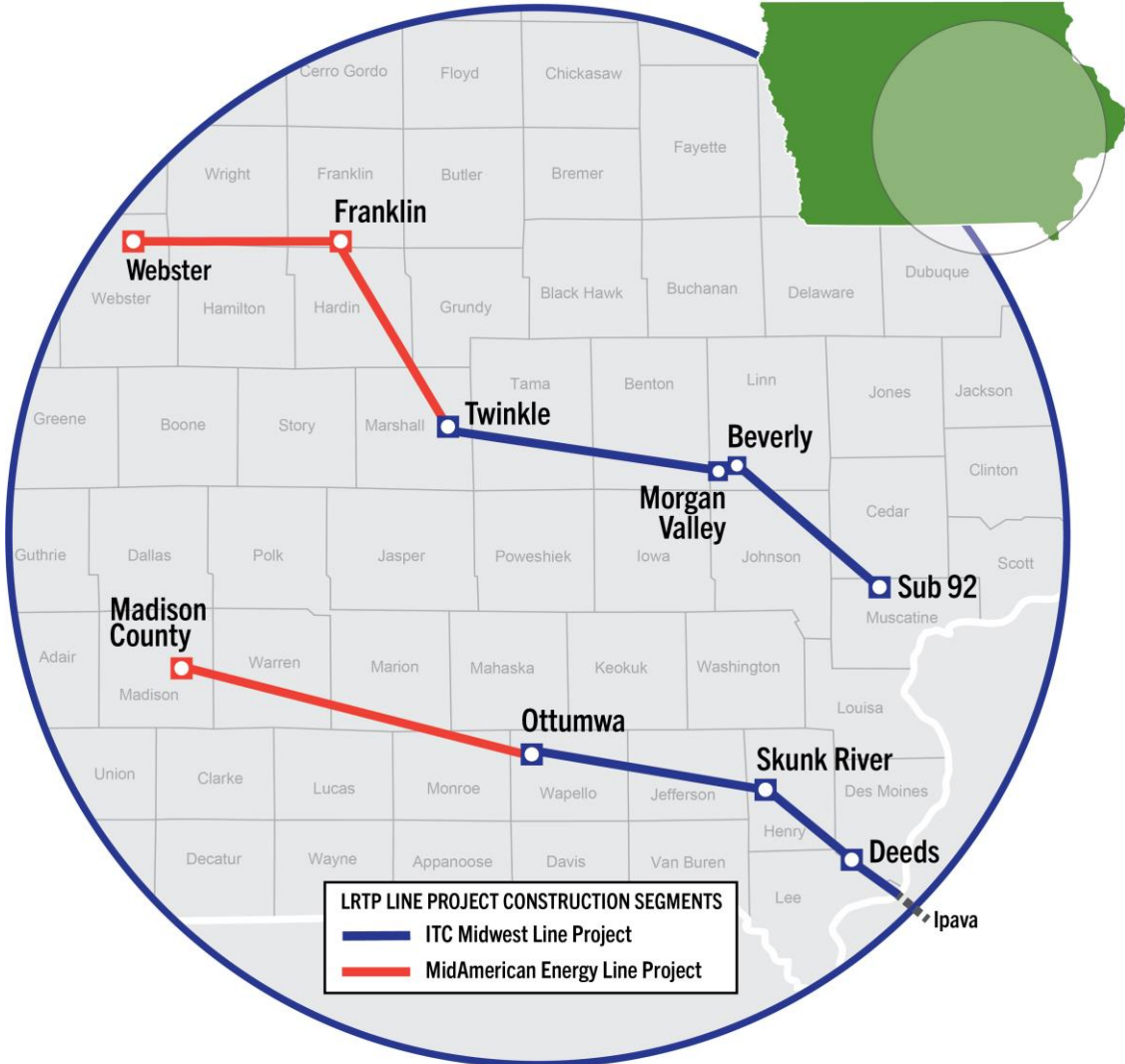
**Zieman**





## L RTP Projects

**L RTP:**  
Long  
Range  
Transmission  
Planning

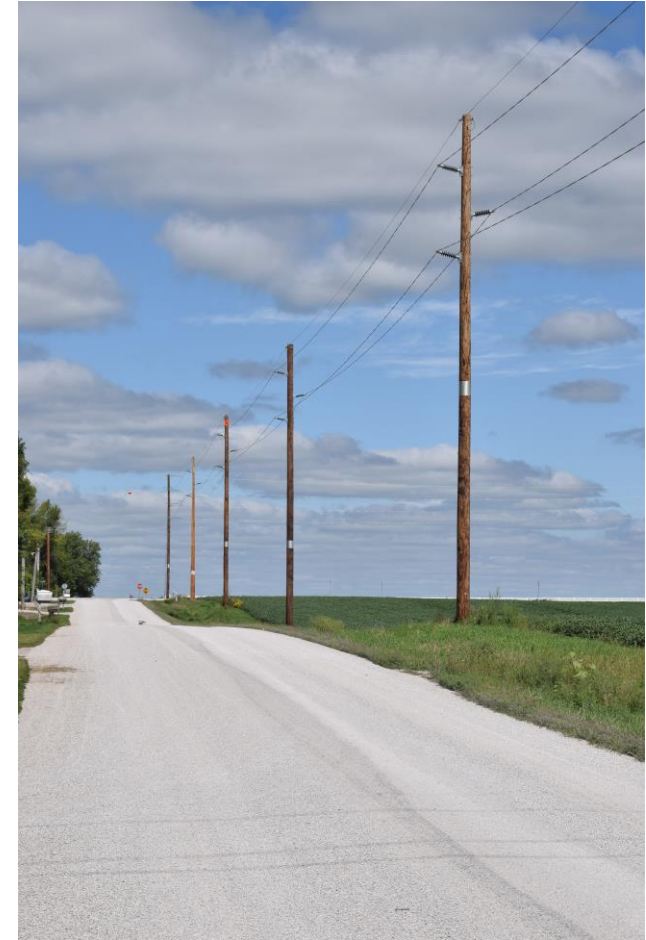


Note: Map is for illustrative purposes and is not indicative of proposed or suggested routes.



## Chapter 11 Rules

- Chapter 11 lays out rules for transmission line siting and franchising
- Board accepted comments on this Chapter
- In February, the IUB provided its proposed amendments to clarify and simplify language for clarity
- Impacted by Governor’s moratorium on rule-making





## At the Iowa Supreme Court

- ROFR Law (Case No. 21-0696)
  - ROFR saves customers money and protects landowners and protects the system
- Juckette Case (E-22417 & Case No. 21-1788)
  - Judicial review of IUB's granting of a transmission franchise to MidAmerican Energy
  - Could impact use of road right-of-way usage for utilities





# Regulatory Updates – Illinois

## Illinois Topics:

- Commission changes
- Climate and Equitable Jobs Act (CEJA)
- Renewable Energy Access Plan (REAP)





## Illinois Commerce Commission



**Scott (Chair)**



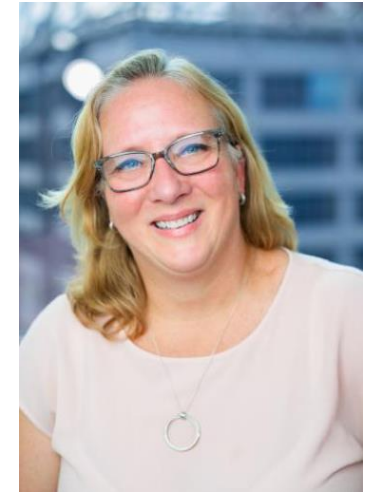
**Carrigan**



**McCabe**



**Reddick**



**Paradis**



## Climate and Equitable Jobs Act (CEJA) and Renewable Energy Access Plan (REAP)

- Provides that it is the policy of the State of Illinois to move toward 100% clean energy by 2050
- Puts Illinois on a path to 40% renewables in 2030 and 50% in 2040
- Requires the ICC to open an investigation to develop and adopt a Renewable Energy Access plan (REAP) to improve transmission capacity





**Questions?**



**Scott Drzycimski**

*Director, Public Affairs*  
*[sdrzycimski@itctransco.com](mailto:sdrzycimski@itctransco.com)*



# MISO's Long Range Transmission Planning



**Brian Drumm**

*Director, Regional Policy and RTO Engagement*  
[bdrumm@itctransco.com](mailto:bdrumm@itctransco.com)

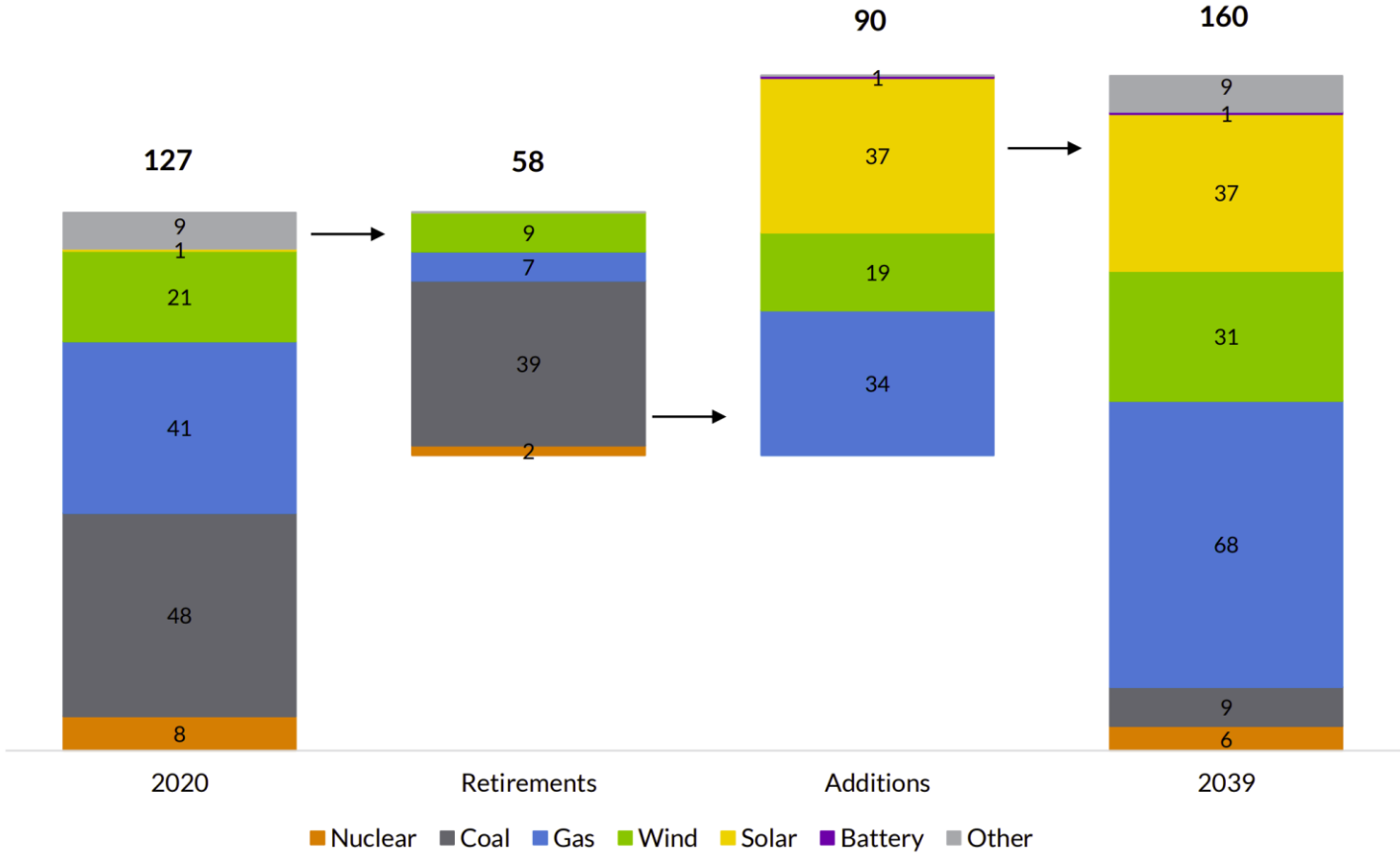


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# MISO LRTP - Origin



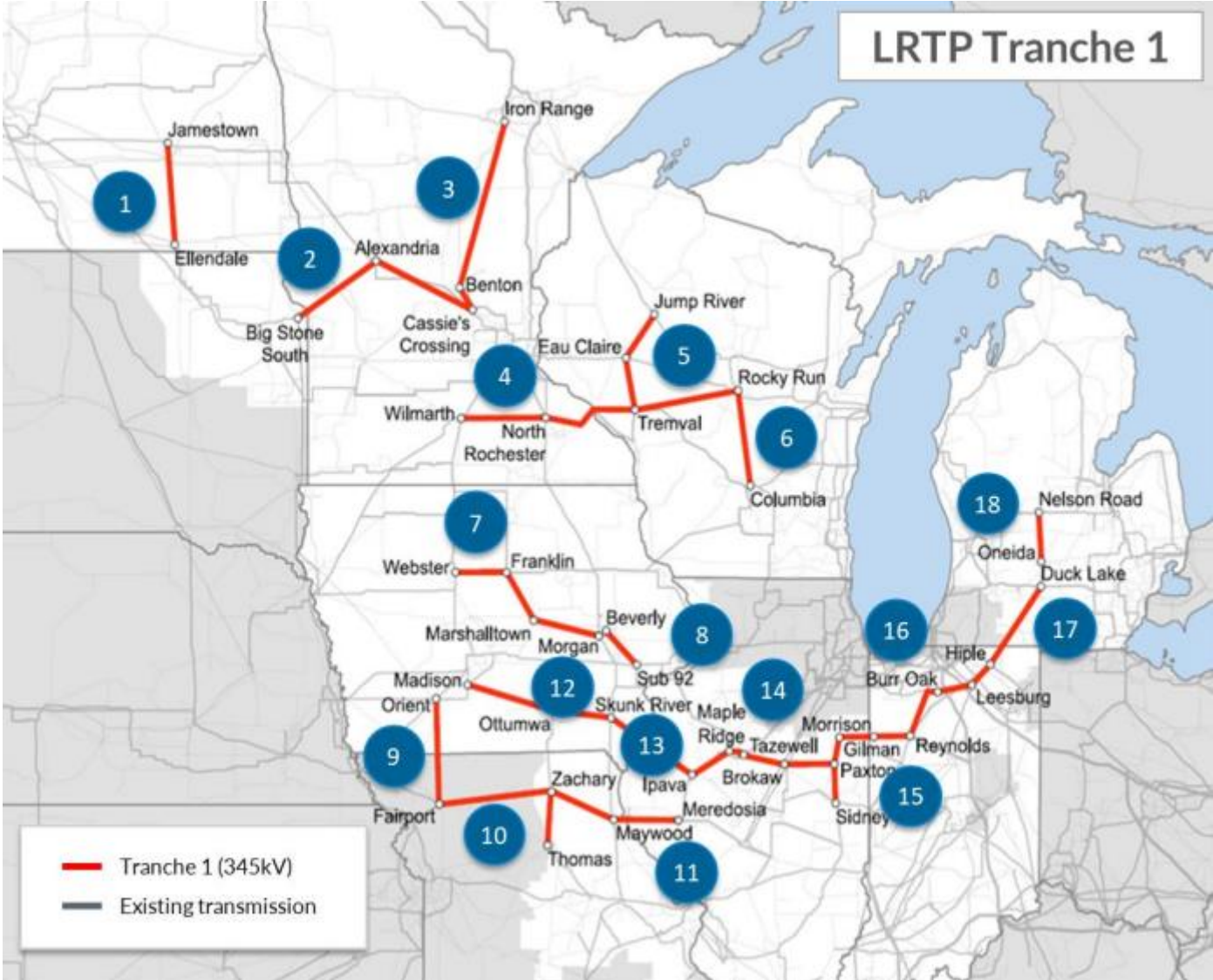
Future 1 - MISO Midwest Generation Installed Capacity (GW)





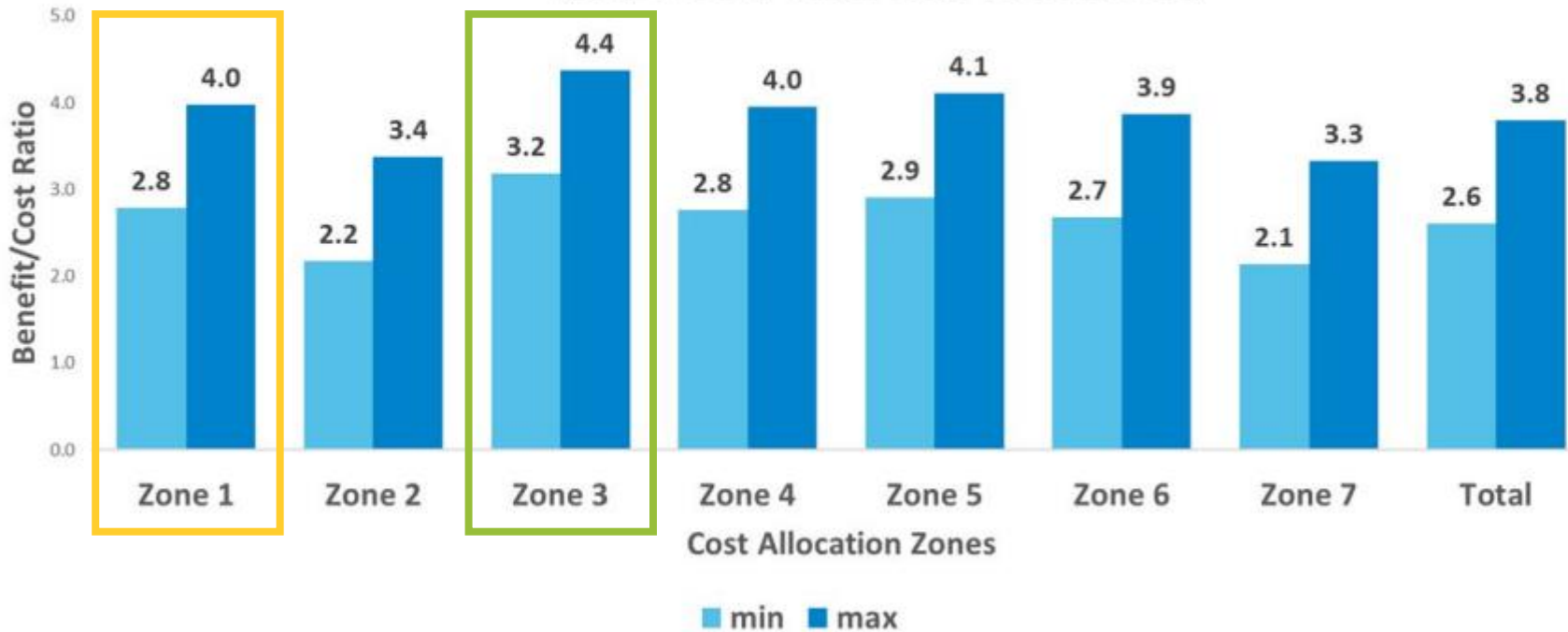
# LRTP Tranche 1

The LRTP Tranche 1 plan was approved in July of 2022 by the MISO Board of Directors. The projects which will address key reliability and congestion metrics.



# L RTP Tranche 1 Benefits

**Range of Benefit/Cost Ratio  
by Cost Allocation Zone**  
(20-yr Present Value, 6.9% Discount Rate)



Values as of 4/6/2022

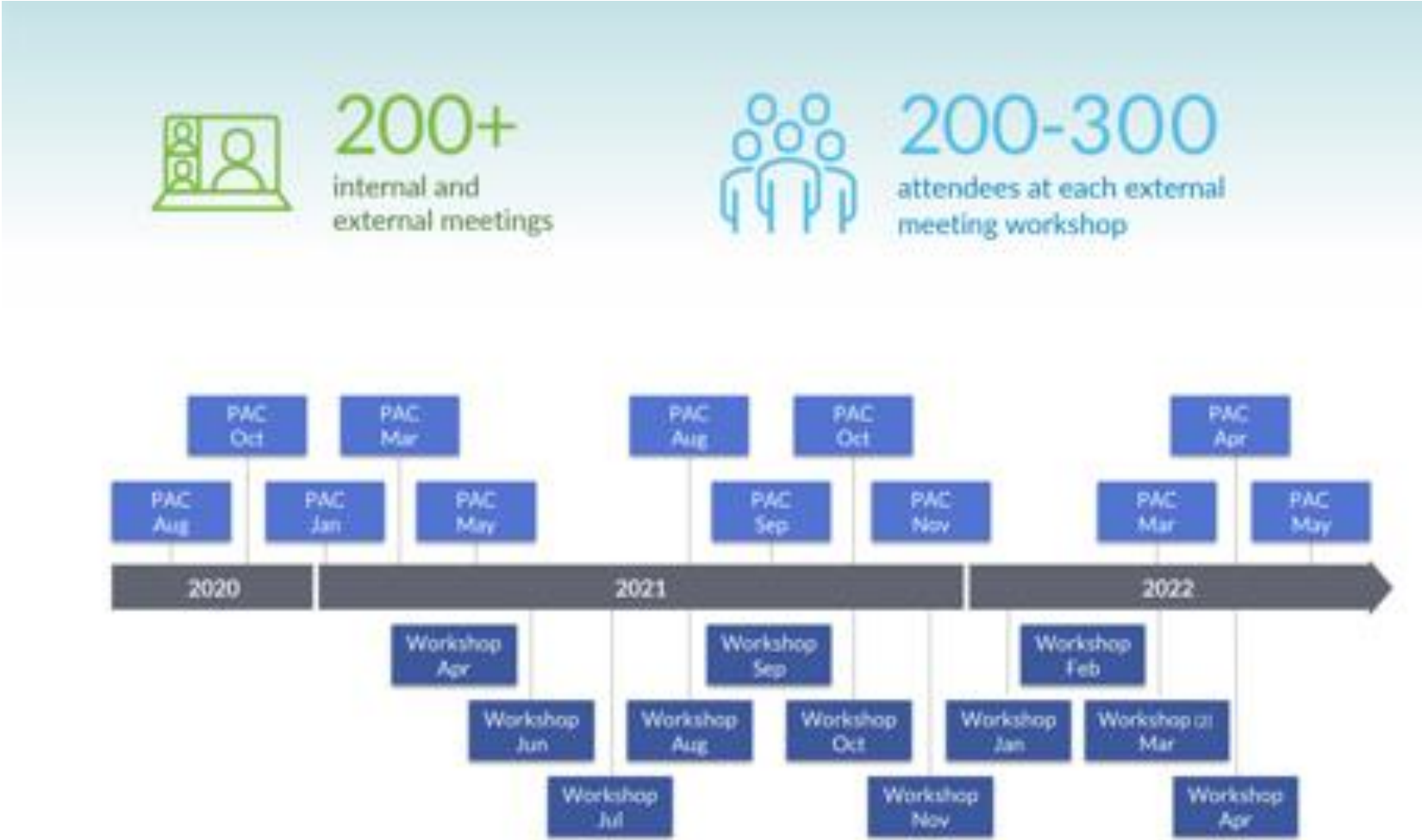
**Map of Midwest Cost Allocation Zone  
Boundaries\***



\*MISO Tariff, Attachment WW

# MISO LRTP Implementation – Stakeholder Process

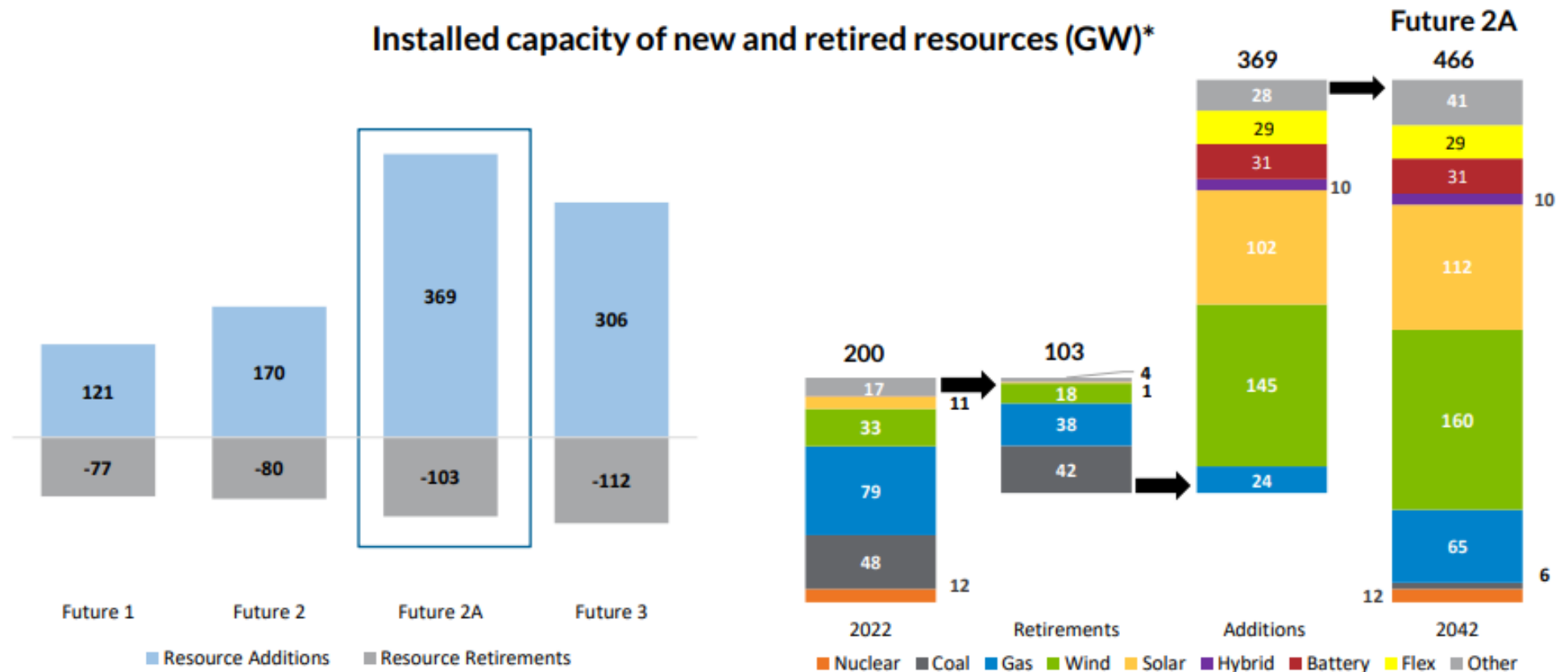
Stakeholder input has been critical. Numerous meetings have provided opportunities for strong engagement throughout the process.





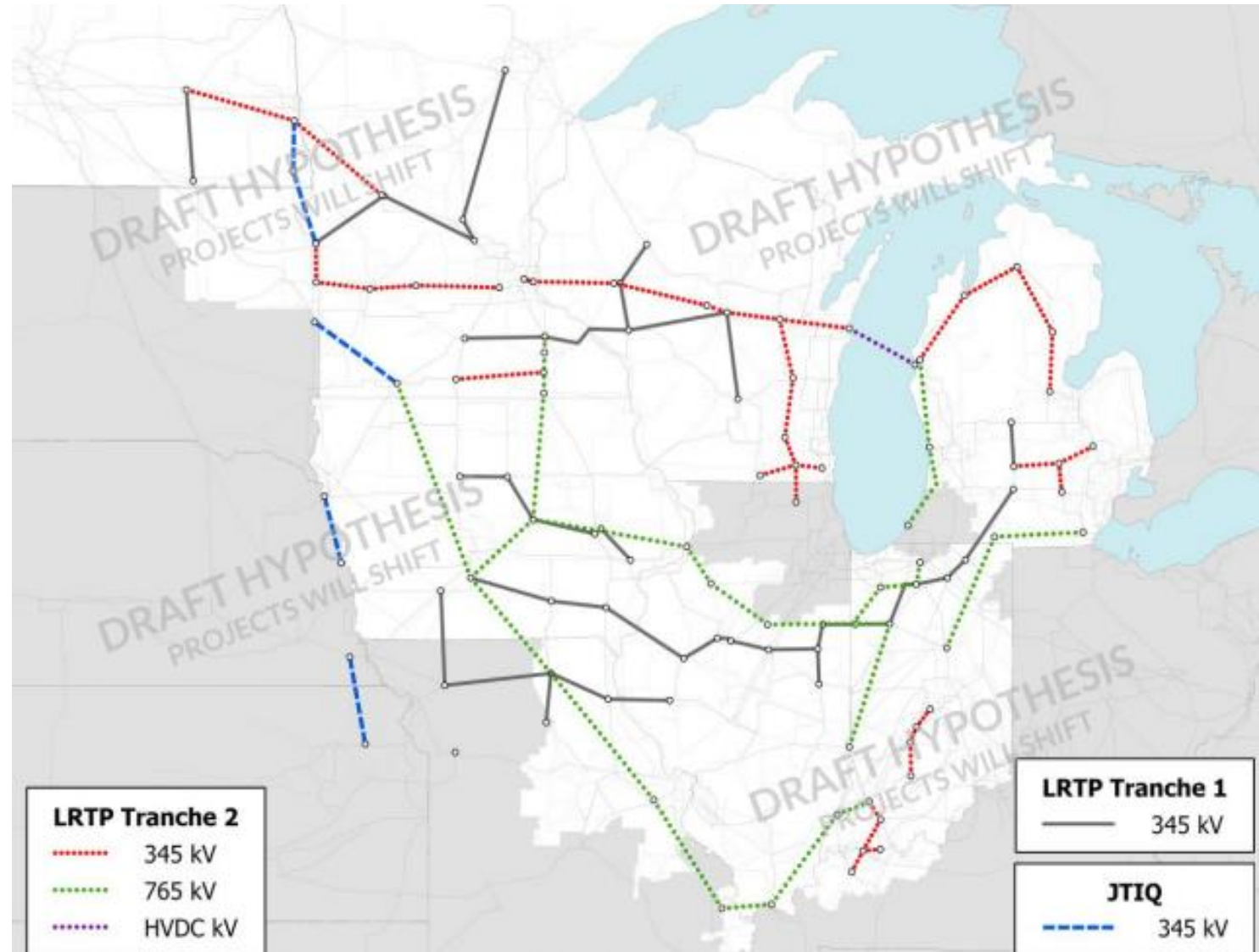
# Tranche 2 Drivers – Future 2A

Future 2A's expansion and retirements approach or surpass levels seen in Future 3, which will transform our current resource fleet



# Tranche 2 – Hypothetical Map

The hypothetical LRTP Tranche 2 map was created based upon previous stakeholder input, study work, and engineering judgement.



# MISO LRTP Tranche 2 Implementation – Planning



Tranche 2, the second set of projects from the Long Range Transmission Planning work, will be the culmination of approximately two years of planning activities.



**Questions?**



**Brian Drumm**

*Director, Regional Policy and RTO Engagement*  
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# ITC Midwest Planning Projects Update



**Robert Walter**

*Manager, Planning*  
*[rwalter@itctransco.com](mailto:rwalter@itctransco.com)*



**FOR THE GREATER GRID**

# ITC Midwest Upcoming Projects

Selected projects\* being planned for construction and/or projected to go in-service in 2024\*\* and 2025\*\*

- Overview of project
- Need/project driver
- Location of project
- Current projected in-service year of project

\*Not a comprehensive list of all projects for 2024 and 2025

\*\*Proposed in-service dates subject to change

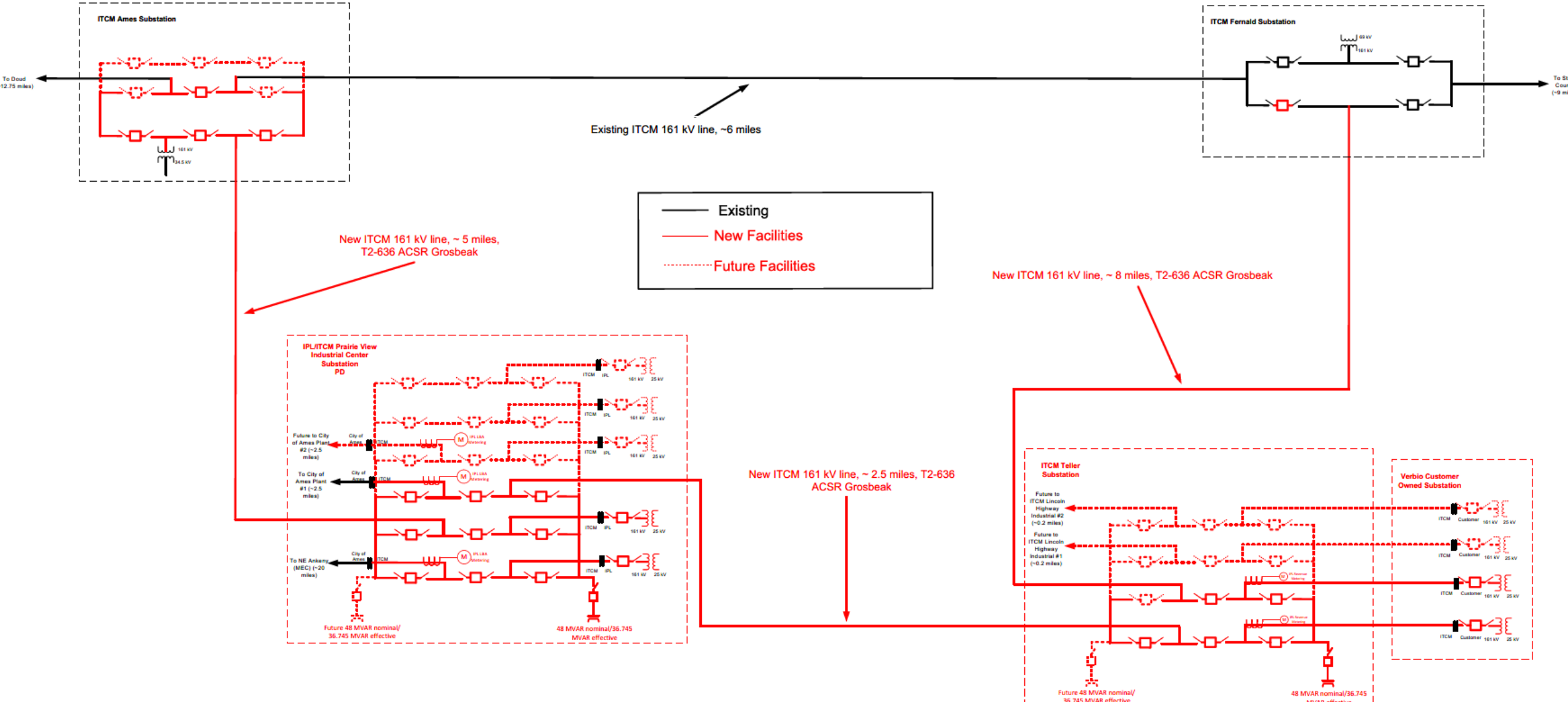




# Nevada Area Load Interconnections

- Request to connect two new loads in the area between Ames and Nevada
  - 80 MW and 45 MW, 125 MW total
- Overview of project:
  - Construction of two new 161 kV substations, one joint with IPL
    - Prairieview Industrial Center (joint with IPL) and Teller
  - Expansion of two existing 161 kV substations
    - Ames and Fernald
  - Construction of approximately 15.5 miles of new 161 kV line
    - Connecting Ames and Fernald via Prairieview Industrial Center and Teller
  - Establishing a new T-T interconnection with City of Ames and ITC Midwest
    - Bringing exiting City of Ames owned 161 kV line in/out of Prairieview Industrial Center
- Bringing an additional 161 kV source into ITC system improves reliability for existing and future 69 kV networked system between Ames – Nevada – Marshalltown area
- 2024 requested in-service date

# Nevada Area Load Interconnections

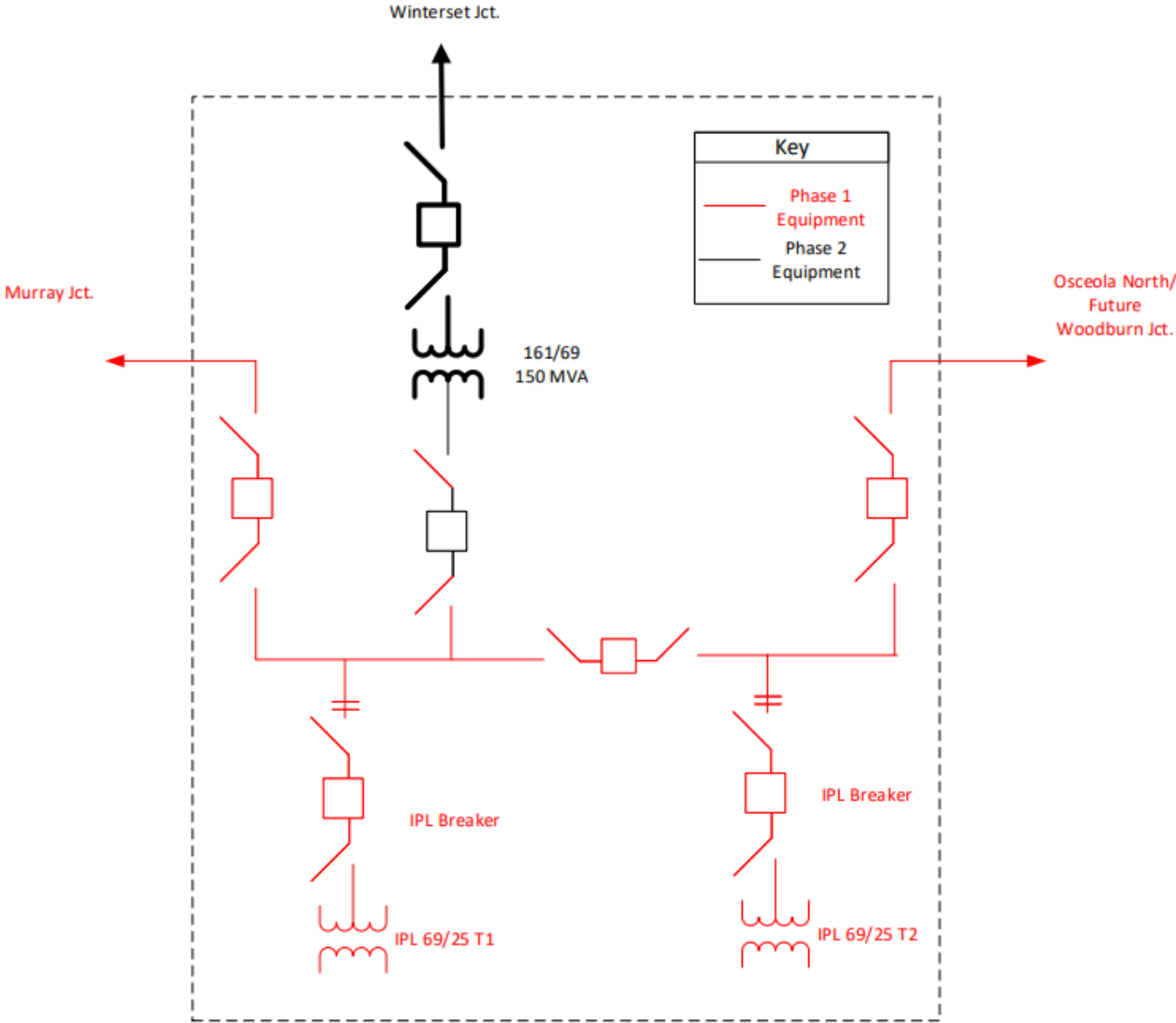


# Southern Iowa Upgrades

- Projects identified as needed to address area voltage issues and to ensure long term reliability for area
- Osceola Yaholi substation phase 1 (2024)
  - New 69 kV to distribution substation in Osceola, Iowa (Joint with IPL)
- Additional future components include:
  - New 161 kV line between Osceola Yaholi and CIPCO Winterset (2026)
  - Osceola Yaholi Phase 2 - New 161/69 kV transformer at Osceola Yaholi (2026)
    - Brings new high voltage source into area to support system voltage during planned and unplanned outages
  - New 69 kV switching station near Lenox, IA (Fogel) (2026)
    - Facilitates connecting CIPCO converted 34.5 kV system in Lenox/Corning area to existing ITC 69 kV system providing improved reliability and voltage support to both systems
  - New 69 kV switching station new Albia, IA (Maxon) (2026)
    - Facilitates connecting ITC 69 kV lines in Albia area together to provide improved reliability and voltage support in Albia, Centerville, and Chariton areas

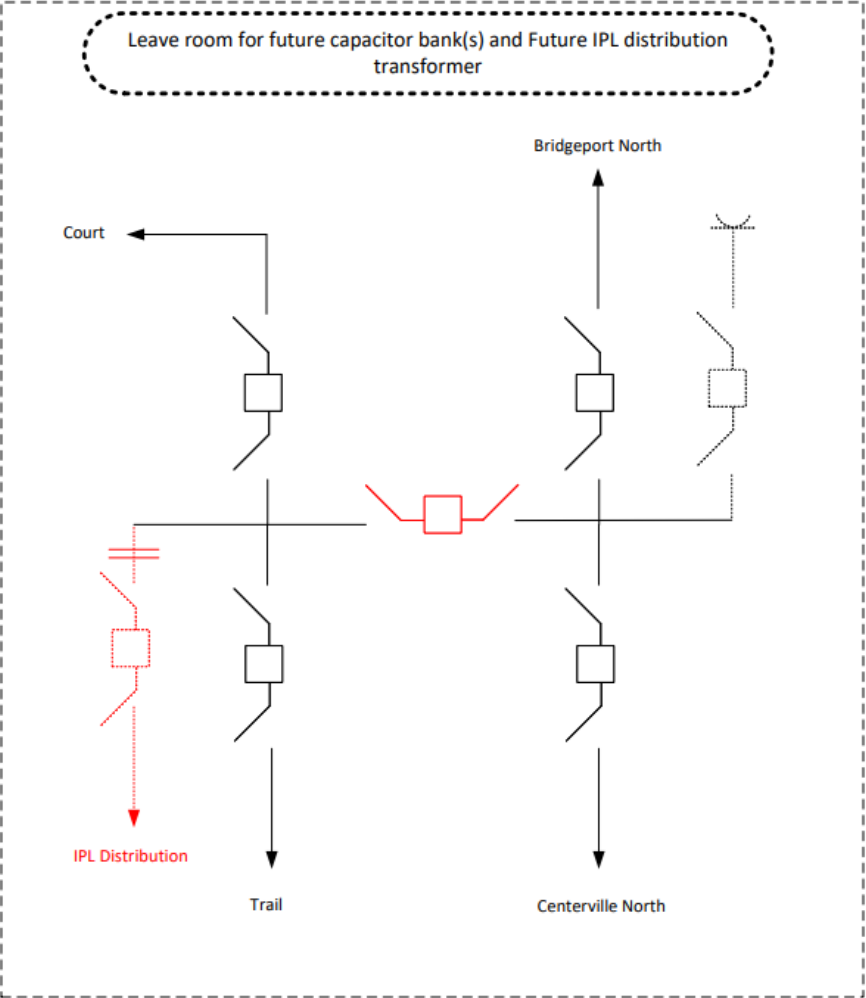


# Southern Iowa Upgrades

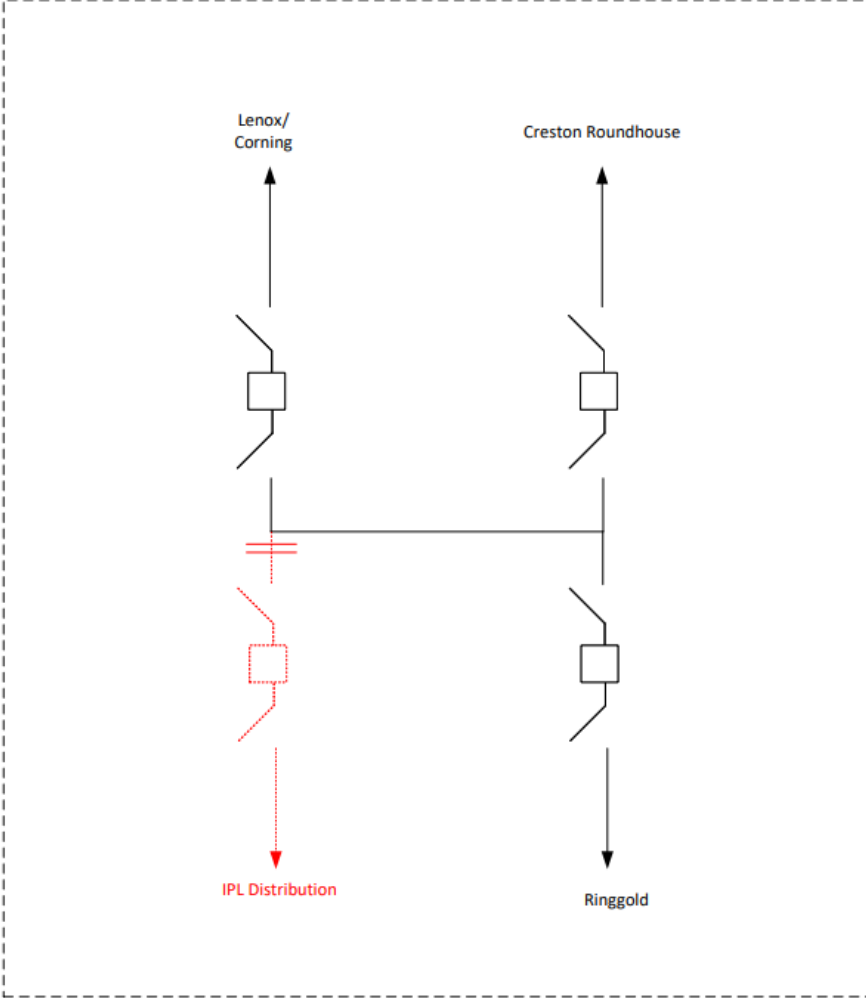


# Southern Iowa Upgrades

### Maxon Breaker Station



### Fogel Breaker Station

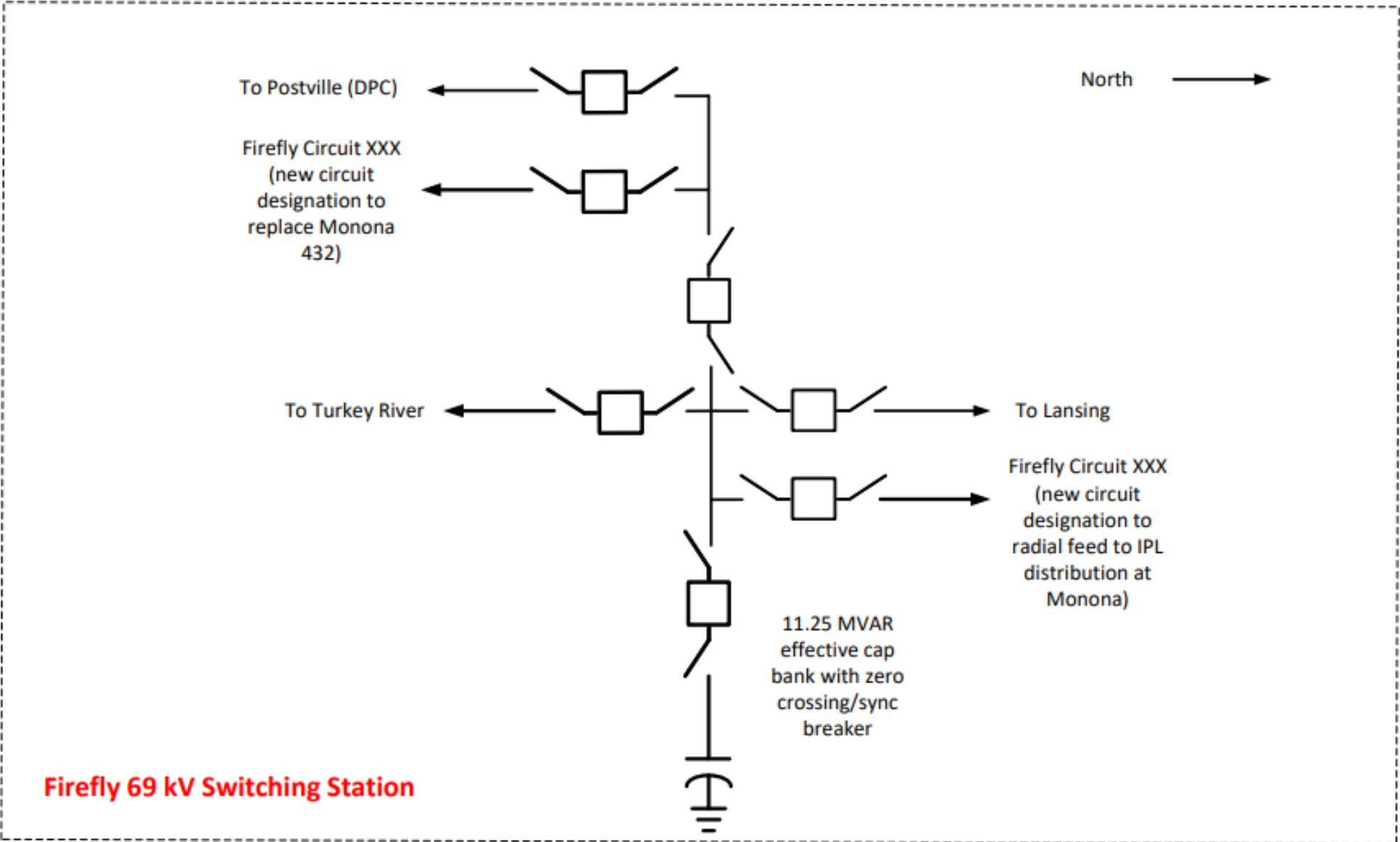


# Firefly (Monona) Substation Rebuild and Capacitor Bank Addition

- Substation identified as needing 69 kV capacitor bank addition to ensure system remains reliable during planned and unplanned outages
  - Substation nearing end of useful life and previously identified as a candidate for replacement
    - Substation originally built in 1950s
  - Expansion of existing substation for capacitor bank was deemed not possible
  - Determined that rebuilding substation and adding new 69 kV capacitor bank as best option
  - 2025 planned in-service



# Firefly (Monona) Substation Rebuild and Capacitor Bank Addition

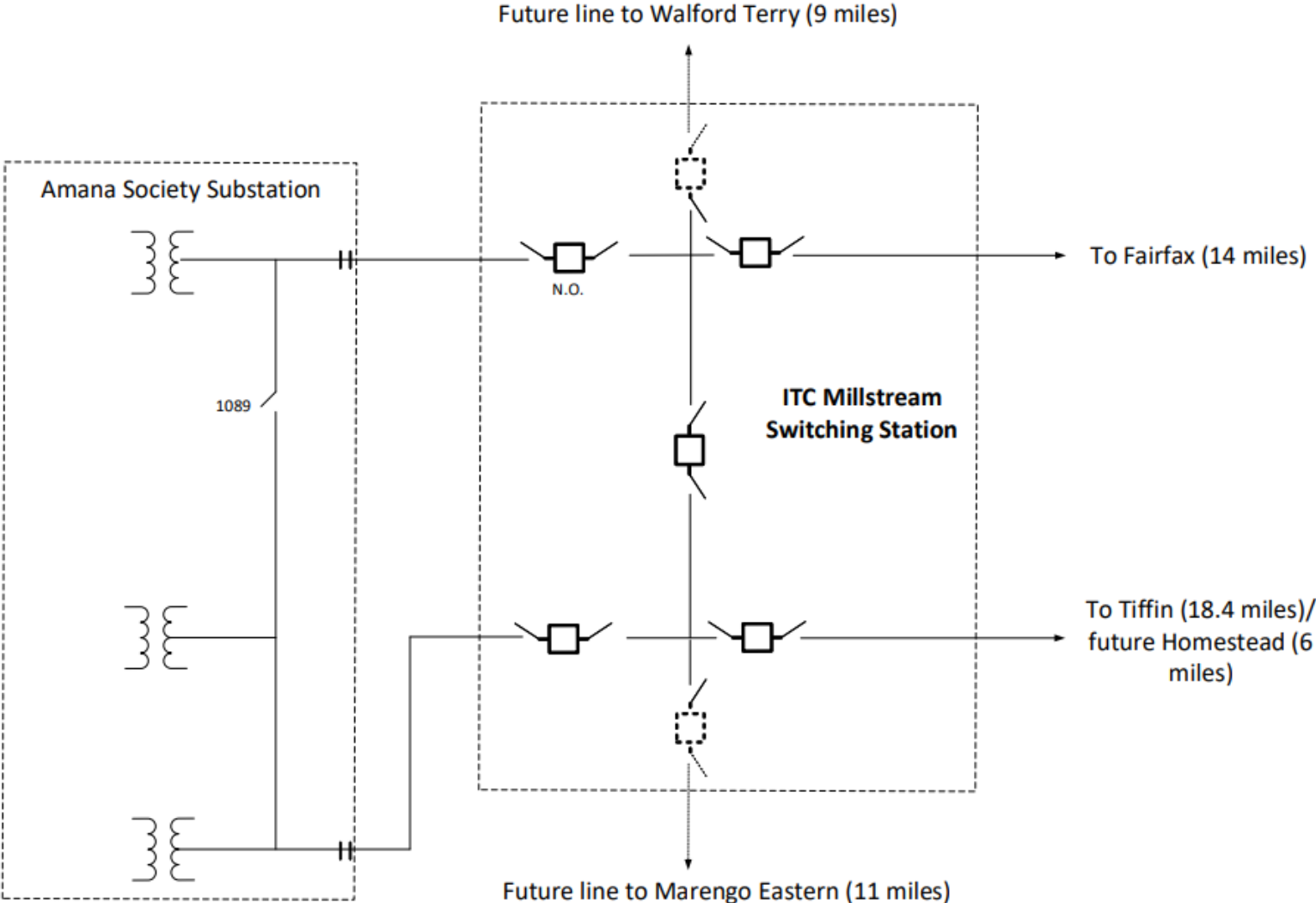


**Firefly 69 kV Switching Station**

# Millstream Switching Station

- New switching station to provide improved sectionalizing capability on 69 kV line between Tiffin and Fairfax areas
  - 32-mile 69 kV line currently
- Switching station proposed to be located adjacent to Amana Society substation to provide faster fault isolation and line sectionalizing
  - Currently line uses motor operated switches in this location which have a significant time delay which impacts manufacturing load in Amana
- New switching station will also provide future ability to connect into converted 34.5 kV line between Fairfax and Marengo and improve sectionalizing on that line if/when needed
- 2025 planned in-service

# Millstream Switching Station

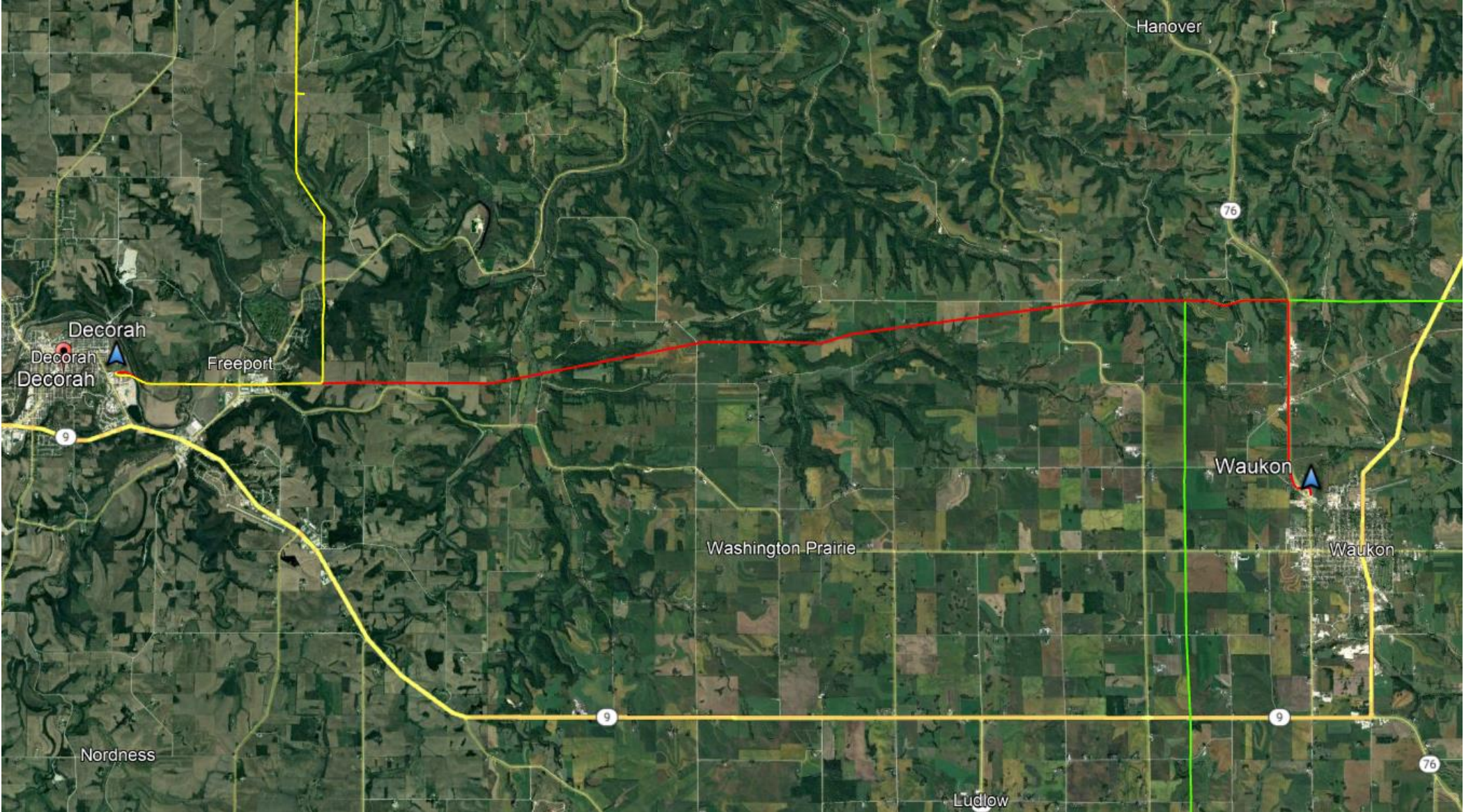




# Decorah – Waukon rebuild

- Line approaching end of useful life and in need of replacement
  - 10.5 miles to be rebuilt, total line length is approximately 17 miles long
  - Originally built in 1970s
- Line has had ongoing operational/outage issues and after engineering review, it was determined that a rebuild of the problematic section was best approach to address issues with the line
- 2025 planned in-service

# Decorah – Waukon rebuild



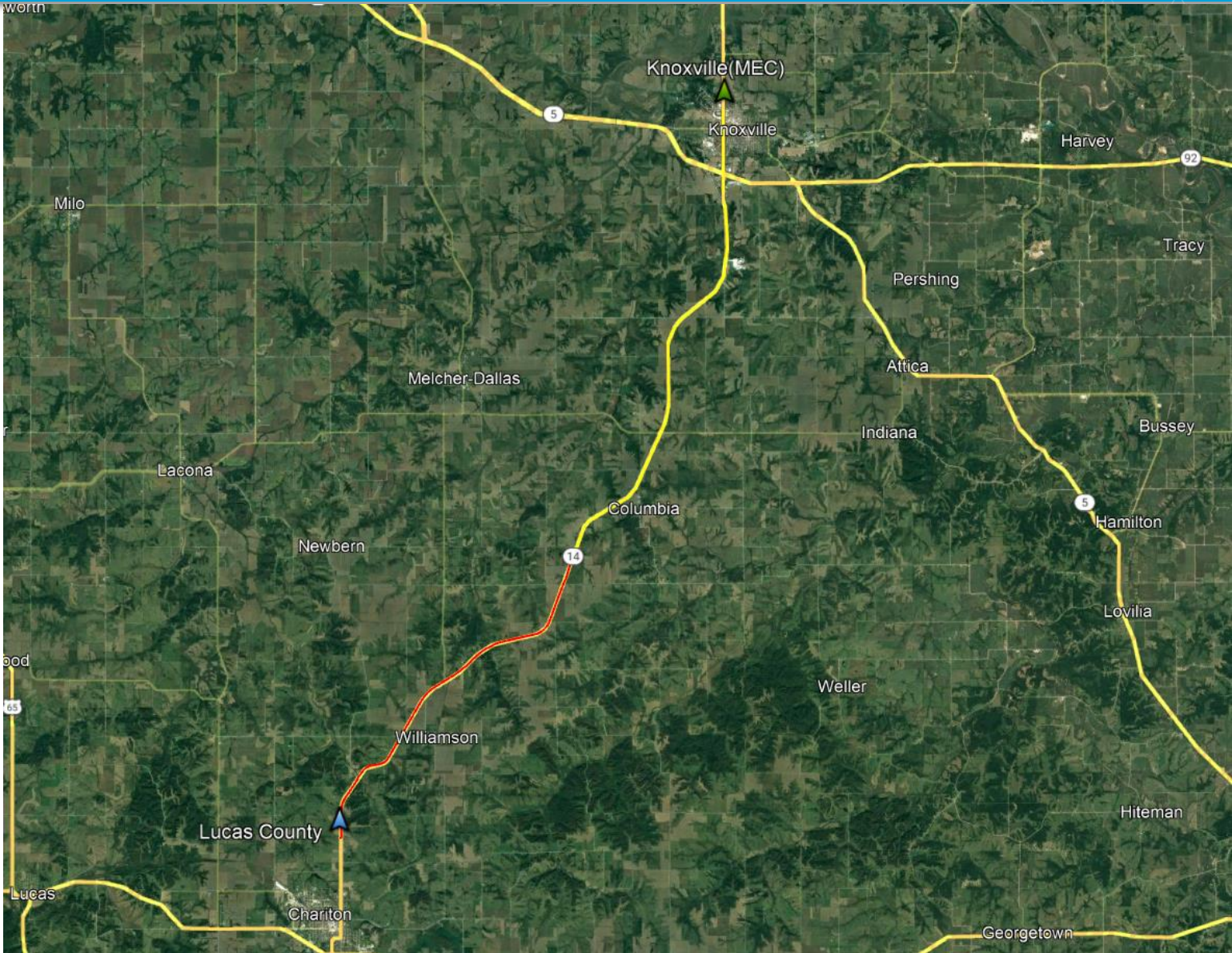


# Knoxville – Lucas County rebuild

- Line approaching end of useful life and in need of replacement
  - ITC Midwest Ownership is approximately 10.7 miles, 23.8 miles total
  - Line joint owned with MEC
  - Originally built in 1950s
- Line had ongoing operational/outage issues and after engineering review, it was determined that full rebuild was best approach to address issues with the line
  - Rebuild coordinated with MEC
- 2025 planned in-service



# Knoxville – Lucas County rebuild

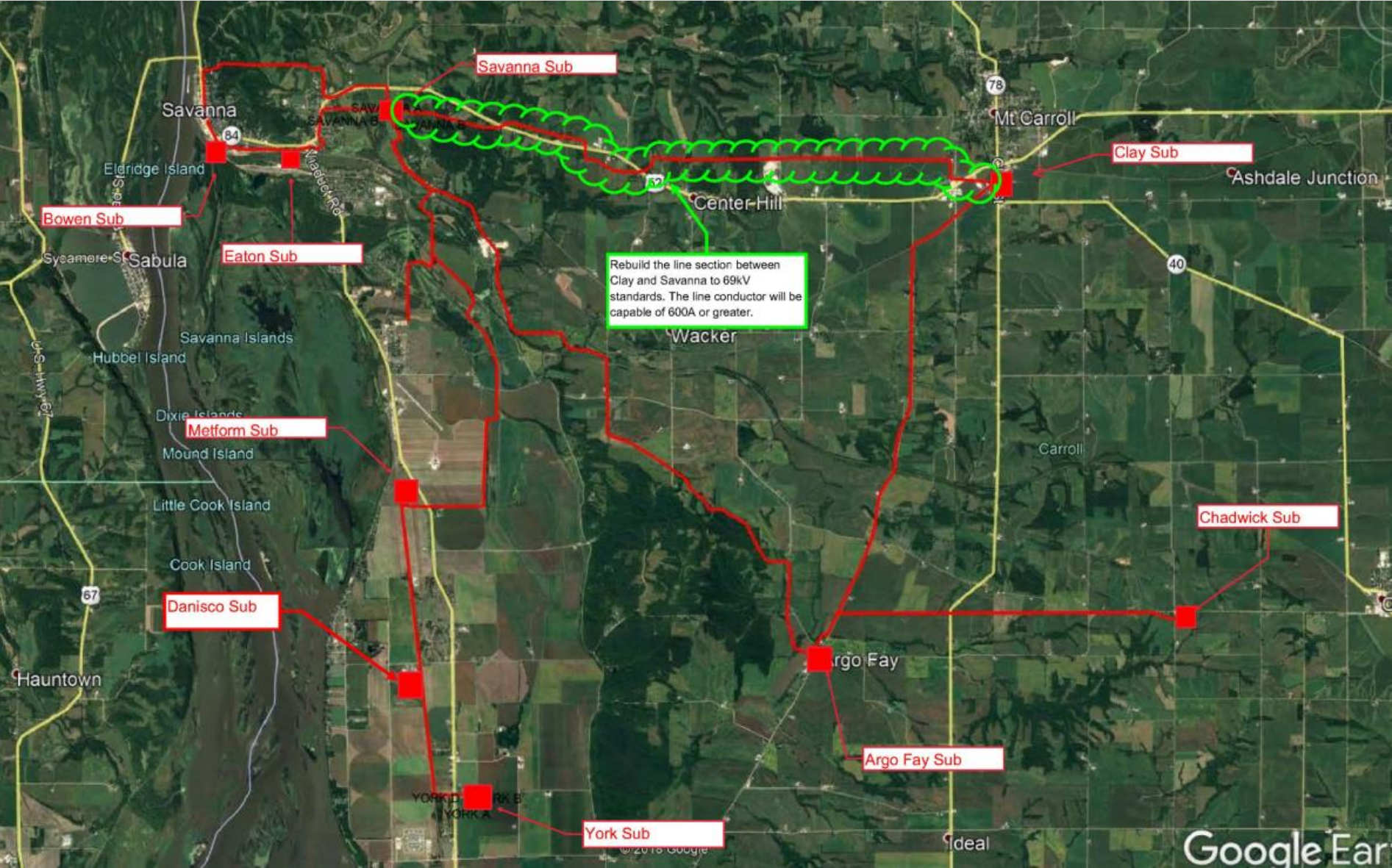


# Savanna – Clay 34.5 to 69 kV rebuild

- Illinois 34.5 to 69 kV rebuilds and conversions
  - Line section is approximately 7.75 miles long
  - Constructed to 34.5 kV standards, will be rebuilt to 69 kV standards with lightning protection to allow future conversion to 69 kV operation
  - Part of comprehensive plan for Illinois 34.5 kV system to rebuild and convert to 69 kV operation
- 2024 planned in-service



# Savanna – Clay 34.5 to 69 kV rebuild

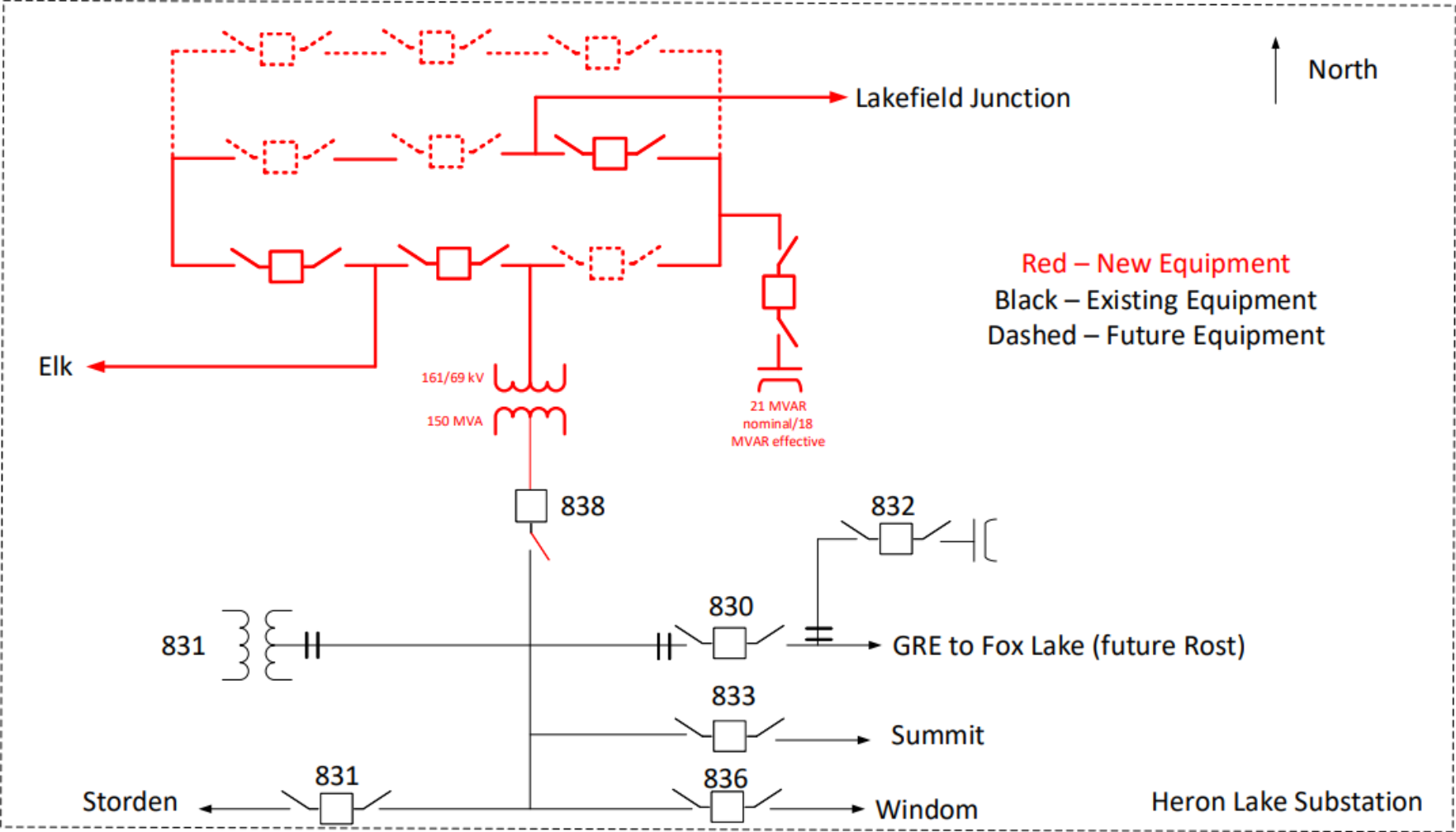




# Heron Lake 161 kV Substation rebuild

- Age and condition driven project
  - Substation originally built in 1950s
- Major components of the substation are at end of useful life and in need of replacement
- Area planned to be re-configured as part of joint plans developed between GRE, MRES, and ITCM
- Based on updated area plans approved in MTEP 22, original scope of project was able to be reduced
- ITCM will rebuild the 161 kV portion of the substation, install a new single 161/69 kV transformer and new 161 kV capacitor bank
- 2024 planned in-service

# Heron Lake 161 kV Substation rebuild

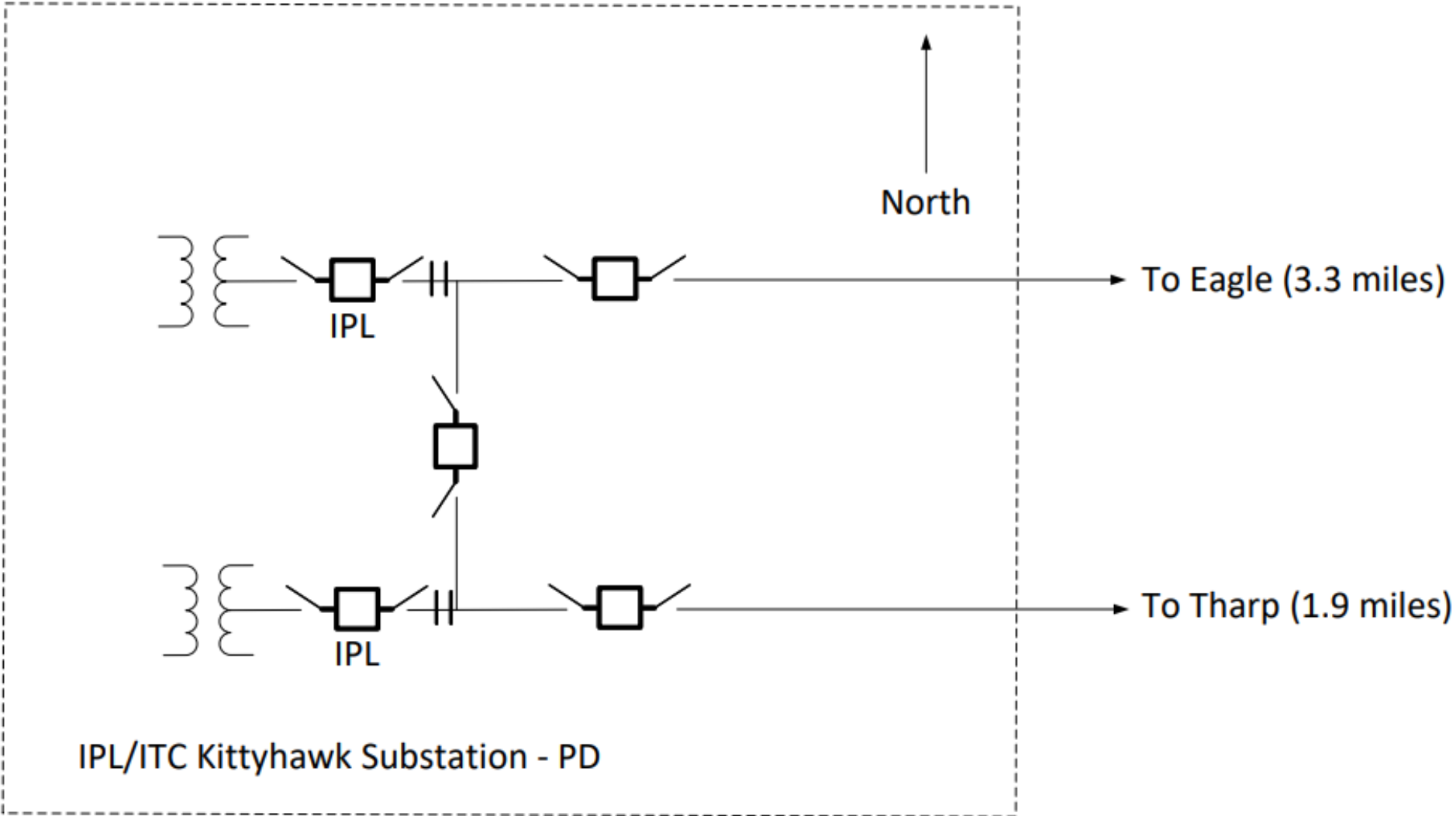


# Kittyhawk Substation Rebuild

- Customer request to add 2<sup>nd</sup> transformer to Kittyhawk substation in Cedar Rapids, Iowa to support area load growth
- Substation being re-constructed to accommodate 2<sup>nd</sup> transformer and support area load growth on southwest side of Cedar Rapids metro area
- Joint 69 kV to distribution substation with IPL
- 2025 in-service date



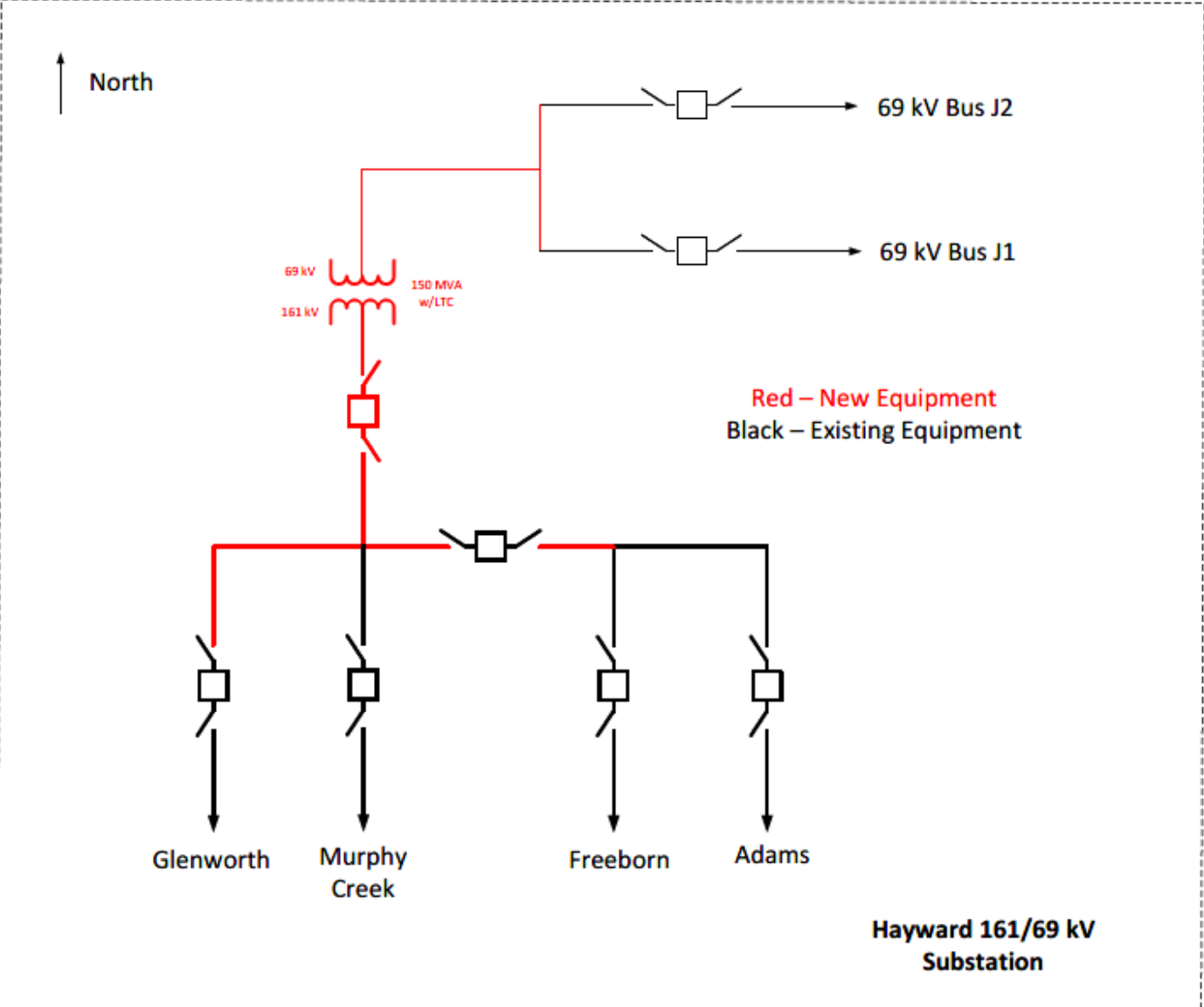
# Kittyhawk Substation rebuild



# Hayward 161/69 kV Transformer Replacement

- Age and condition driven project for replacement of existing transformers
  - Existing transformers built in 1970
- Area planned to be re-configured as part of joint plans developed between DPC, GRE, and ITCM
  - Addition of Thisius 161/69 kV substation (2023) west of Albert Lea provides increased geographic diversity for the area, reducing reliance on Hayward
- ITCM was able to determine that existing 2 transformers could be replaced with a single transformer and maintain same levels of reliability after other area projects are completed
  - New transformer will have LTC which provides increased ability to control voltage and provides improved reliability for the area
- 2025 planned in-service

# Hayward 161/69 kV Transformer Replacement





**Questions?**



**Robert Walter**

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# Closing



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# Our Next Meetings

## **ITC Midwest True-Up – July 13**

- Hosted virtually using Microsoft Teams
- Reminder emails will be sent in the upcoming months

## **ITC Midwest Fall Partners in Business – October 17 & 18**

- Kirkwood Hotel, Cedar Rapids, IA – October 17
- Wedgewood Cove Golf Club, Albert Lea, MN – October 18



# Meeting Feedback

We value your thoughts on how we can continue to improve these meetings.

Please visit: <https://forms.office.com/r/RE9iE21M5i>  
or scan this code to find a quick evaluation.



If you prefer to leave a hard copy evaluation, please set it by the door. Thank you!

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319-631-8442

# Thank You for Attending!

We appreciate your time and effort to participate in today's Partners in Business meeting.

Copies of today's presentation are available at:

<https://www.itc-holdings.com/op/itc-midwest/midwest-partners-in-business>

<http://www.oasis.oati.com/ITCM/index.html>

Please drop off your nametag on your way out. Thank you!

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# Have a Great Summer and Stay Safe!