



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: October 6, 2025

Re: Authorizing Amendment No. 3 to the resource management agreement with The Energy Authority, Inc to prepare a comprehensive Integrated Resource Plan (IRP), Task Order 5.

Executive Summary

Staff has prepared for Council consideration a resolution authorizing the City Manager to execute Amendment No. 3 to the Resource Management Agreement with The Energy Authority, Inc. (TEA) to provide a comprehensive econometric assessment in the form of a twenty (20) year Integrated Resource Plan (IRP). The results of this study will be utilized by City Staff to help make decisions regarding meeting the short- and long-term energy and capacity needs for Columbia to continue to serve the citizens with safe and reliable energy services in the most cost-effective manner possible. The total lump sum cost for these services is \$175,000.

Discussion

In the next few years, Columbia has existing power purchase agreements (PPAs) that expire and generation assets that are expected to retire (Sikeston). Additionally, our own generation assets are aging and becoming less efficient and costly to maintain. In 2027, Columbia will be unable to meet its capacity planning reserve margin requirement in the planning resource auction without purchases from the auction. Auction prices in the last few years have gone from \$10 per MW-day to more than \$700 per MW-day in some seasons. The capacity market is significantly different than what was evaluated and projected in the 2022 Integrated Electric Resource Plan, particularly with capacity accreditation for renewable assets. The Electric Utility is facing significant increased financial risks due to market volatility and lack of electric generation in our zone, MISO Zone 5. The results of an IRP will be utilized to help City staff make decisions on how to meet Columbia's future capacity and energy obligations in the most cost-effective manner in conjunction with the values of the customers.

Columbia Water and Light (CWLD) is a member of the Midcontinent Independent System Operator (MISO) and as such is required to obtain electric generation capacity in excess of our estimated peak load plus a reserve margin. This ensures that Columbia has enough power generation and other resources to meet forecasted electricity demand both locally and in the MISO system. This is especially important during peak periods to prevent power outages. MISO utilizes the annual Planning Resource Auction (PRA) to evaluate system wide capacity. All MISO members are required to participate in the auction. During this auction each member utility has to nominate generation assets to cover its planning reserve margin requirement (PRMR) through any combination of the following options:



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- Columbia's own internal generation assets (Columbia Energy Center, Municipal Power Plant, etc.)
- Purchase capacity from another generating facility that has excess capacity through a power purchase agreement (PPA) (Sikeston, Iatan, Prairie State, etc.)
- Purchase capacity in the market or through MISO

CWLD utilizes a combination of its own generation and PPAs to cover its planning reserve margin requirement in the planning resource auction. The last option, purchasing capacity in the market, carries a large financial risk due to the volatility of the results each year.

Recent auctions have sent significant price signals to MISO Zone 5, including CWLD, that indicate more consistent generation is needed.

The 20-year IRP will provide a comprehensive econometric load forecast, analysis of CWLD's assets, demographics and consumption patterns. Based on the analysis, TEA will project portfolio options that include cost and a discussion of the relative risk of each respective option and work with Columbia to recommend portfolios that strive to achieve minimal levels of risk relative to cost. Utility staff will engage with the public at the beginning and end of this process to ensure the final plan reflects the values and interests of the Electric Utility customers. Values to be considered with the customer engagement will consider value, cost, renewables, storage, reliability and ownership.

Columbia will request a report covering a base case and up to six (6) portfolios consistent with Columbia's strategic objectives. This report will provide a list recommending the "best fit" from the scenarios for Columbia to utilize in making short- and long-term decisions regarding meeting Columbia's energy and capacity obligations. TEA is the CWLD Market Participant in the MISO market to engage in the electricity markets for buying and selling energy, capacity and financial transmission for all of CWLD activities. TEA currently performs the yearly load forecast and have all of the CWLD data for capacity and energy. TEA is especially suited to perform an Integrated Resource Plan for the Electric Utility.

The Water and Light Advisory Board has discussed CWLD's capacity forecast numerous times in 2025. At their September 10, 2025, they unanimously approved moving forward with an updated Integrated Resource Plan using TEA. An Integrated Resource Plan will provide a path forward to purchase, contract or build the necessary capacity and energy to meet Columbia's needs in the most cost effective way. The cost for this study is a lump sum of \$175,000.00 to be paid from Electric Utility operating funds with a timeline for completion of five months.

Fiscal Impact

Short-Term Impact: Three payments totaling a lump sum of \$175,000

Long-Term Impact: None

Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)



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Primary Impact: Reliable and Sustainable Infrastructure, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

[Comprehensive Plan Impacts:](#)

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
09/15/2025 05/20/2024	REP48-25 Electric Integrated Resource Plan (IRP). R105-24 Authorizing Amendment No. 2 to the resource management agreement with The Energy Authority, Inc. to develop a 20-year econometric load forecast as part of the annual Midcontinent Independent System Operator (MISO) resource adequacy process.
1/17/2023	R7-23 Authorizing an Amendment No. 1 to Resource Management Agreement with The Energy Authority, Inc. for a renewable energy study, Task Order #3.
11/07/2022 12/02/2013	REP86-22 100% Renewable Energy by 2030. R254-13 Authorizing a Resource Management Agreement with The Energy Authority, Inc., to represent the Water and Light Department as its Market Participant in electric and natural gas energy markets.

Suggested Council Action

Approve the resolution.