



Progress Muscatine Comments Muscatine Power and Water Public Hearing \$168 Million Bond

Muscatine Power and Water held a public hearing regarding a \$168 million bond to fund energy related development on Tuesday, September 30, 2025. Progress Muscatine asked the MPW Board of Directors to carefully consider the following details as they determine how to spend \$168 Million.

How does MPW's work fits into energy development at the federal level?

1. Most federal energy and efficiency tax credits for vehicles, and home projects including solar, storage, and heat pumps, have expired or are expiring in 2025.
2. Federal tax credits that remain are for grid level energy storage projects, also known as a battery energy storage system (BESS).

How does MPW's work fit into the needs of Midcontinent Independent System Operator (MISO), the 15 state grid operator and energy marketplace?

1. Around 3% of projects waiting for approval in the MISO queue are powered by natural gas.
2. MPW's plan to build new natural gas is out of alignment with 97% of all energy projects in the MISO queue.
3. MISO is encouraging its members to add battery storage, and encouraging a BESS first approach to energy portfolio development.
4. System changes within MISO are moving BESSs from a supporting asset to a primary asset within the MISO grid.
5. MISO is proposing to fasttrack stand alone BESS projects in the MISO queue.
6. MISO could save \$27 Billion in system costs with an addition of 11 Gigawatts of battery storage by 2035.

How does MPW's newest power supply study, which for the first time includes iron-air batteries, impact the actions of the utility moving forward?

1. MPW's own power supply study identified the lowest cost plan of all scenarios includes batteries.
2. Director Keith Porter asked why staff would not move forward with the lowest cost option. MPW's General Manager Gage Huston explained that no current staff had the expertise to manage a battery energy storage system at this time, so the utility would need time to learn more about integrating battery storage into its portfolio.

Progress Muscatine suggests:

1. MPW use bond funds to hire additional staff with expertise in battery energy storage systems, allowing MPW to increase institutional knowledge as quickly as possible;
2. MPW prepare to utilize expected structural changes at MISO to fasttrack a BESS, allowing MPW to take advantage of a new value stream;
3. MPW prepare to utilize tax credits for a local BESS;
4. MPW move forward with 100 hour iron air batteries. These batteries provide energy through a rusting process using iron and water. They do not have a fire risk like lithium ion batteries, and they can be cheaply produced in the United States without a dependence on precious metals.

Resources:

MISO System Shifts Focus from Solar to Battery Storage | SYSO

www.sysotechnologies.com/2025/06/18/storage-poised-to-take-off-in-miso/

American Clean Power

www.cleanpower.org/news/battery-storage-key-to-strengthening-reliability-and-lowering-energy-costs-miso/

New York Times

www.nytimes.com/2025/09/18/realestate/home-energy-tax-credits-2025.html