



Massachusetts Municipal Wholesale Electric Company

NEWS RELEASE

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New co-op assists municipal utilities with wind project development, financing

LUDLOW, Mass. – September 5, 2007 – A new entity to assist Massachusetts municipal utilities with the development and financing of wind energy resources has been created by the Massachusetts Municipal Wholesale Electric Company (MMWEC) and the Princeton Municipal Light Department, the initial members of the recently incorporated Massachusetts Municipal Light Department Wind Energy Cooperative.

The co-op's initial task is to obtain financing for an upgrade of the Princeton utility's 23-year-old wind farm in Central Massachusetts. The \$6.5 million upgrade includes the installation of 3-megawatts of new wind generation at the site, with operation of the project tentatively scheduled for the fall of 2008.

However, MMWEC expects the co-op will grow to include additional members and other wind energy resources.

"This co-op is a vehicle for municipal utilities to diversify their power supplies with the addition of a clean, renewable energy resource," said MMWEC General Manager Glenn O. Steiger. "We're getting started with the Princeton project, but there are several other municipal utilities pursuing wind power resources that could benefit from membership in the co-op as well," he said.

Under its by-laws, the co-op's membership can be expanded to include other municipal utilities or public entities that are developing wind energy resources. The co-op can own wind projects outright and purchase power from wind projects owned by other entities for the purpose of selling power to co-op members.

Formation of the co-op is authorized under the 1997 Massachusetts electric industry restructuring law, which allows municipal utilities and public corporations such as MMWEC to form "municipal lighting plant cooperatives" to conduct business associated with the purchase, sale and distribution of electricity.

"There is potential for the co-op to become a significant supplier of wind power to public entities in Massachusetts, but our initial and primary focus is on developing and financing wind energy resources for municipal utilities," Steiger said. "Formation of the co-op is a key step in our efforts to diversify and better balance municipal power supplies with the addition of renewable, demand response and energy efficiency resources," he said.

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Preliminary work has started at the site of the Princeton project, where plans are to install two, 1.5-megawatt turbines that will meet approximately 40 percent of the town's energy needs. The new turbines will replace eight smaller ones that were removed from the site in 2004 after 20 years of operation.

Under documents governing the establishment and operation of the co-op, MMWEC will serve as the co-op's agent in financing the Princeton project and in performing the administrative and accounting functions of the co-op. MMWEC also will serve as the co-op's representative to ISO New England. Princeton will be responsible for repayment of any debt issued on behalf of the co-op as well as any administrative expenses incurred by MMWEC.

"The cooperative is an extremely useful tool for light plants to finance and develop their renewable energy projects," said Jonathan Fitch, manager of the Princeton utility and president of the co-op. "As the cooperative becomes more widely utilized, I expect it will offer a streamlined process for financing these types of projects for other utilities as well," he said.

MMWEC is a non-profit, public corporation and political subdivision of the Commonwealth of Massachusetts that provides a variety of power supply, financial and other services to the state's consumer-owned, municipal utilities.