



Massachusetts Municipal Wholesale Electric Company

NEWS RELEASE

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Municipal wind power co-op secures financing for Princeton project

LUDLOW, Mass. – December 5, 2007 – The recently formed Massachusetts Municipal Light Department Wind Energy Cooperative has secured financing from PeoplesBank of Holyoke for a three-megawatt wind power project in Princeton, Mass.

The financing agreements for the project include a \$3.3 million letter of credit required by wind turbine manufacturer Fuhrlander of Germany and a \$6.3 million line of credit to finance construction and other costs of the project. Conditions of the agreements, including potential interaction between the two credit facilities, give the financing package a total value of \$6.5 million.

“There were a number of issues to address in financing the Princeton project, but PeoplesBank stepped up with the willingness and expertise needed to close the deal,” said Ronald C. DeCurzio, chief financial and operating officer of the Massachusetts Municipal Wholesale Electric Company (MMWEC). “The wind energy co-op is all about moving renewable energy projects like this into production, and the agreement with PeoplesBank is an important step forward for the Princeton project,” he said.

MMWEC, which negotiated the financing package, provides the wind energy cooperative with a variety of financial, power supply and administrative services.

The Princeton project, tentatively scheduled for operation in the fall of 2008, calls for the installation of two, 1.5-megawatt wind turbines at the Princeton Municipal Light Department’s 23-year-old wind farm in Central Massachusetts. The new turbines will replace eight smaller ones that were removed from the site in 2004 after 20 years of operation. Preliminary work has started on the new project, which will meet approximately 40 percent of Princeton’s energy needs.

Currently, MMWEC and the Princeton utility are the only members of the co-op, which was established in August to assist Massachusetts municipal utilities with the development and financing of wind energy resources. There are several other municipal utilities pursuing wind power resources that could benefit from membership in the co-op as well.

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The Templeton Municipal Light & Water Plant voted recently to join the co-op – an initial step toward co-op membership – to help advance its plans for a 1.5-megawatt turbine at the Narragansett Regional High School in Templeton. Other individual municipal utilities have wind projects in various stages of development, and MMWEC is pursuing ownership of the 15-megawatt Berkshire Wind project on behalf of 14 municipal utilities.

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.

MMWEC General Manager Glenn O. Steiger cited the benefit of the co-op as a vehicle to help municipal utilities diversify their energy resources and reduce their reliance on fossil fuels for power generation.

"Development of wind and other renewable resources, coupled with energy conservation and demand management initiatives, will bring better balance to municipal power supplies," Steiger said. "Pursuit of such resources also is consistent with the state's environmental and policy goals for addressing climate change issues and finding alternatives to fossil fuels," 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.