



berkshirewindcoop.org

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Berkshire Wind Project Bonds Upgraded

July 29, 2019 – Fitch Ratings has upgraded bonds issued by the Berkshire Wind Power Cooperative Corporation (BWPC) from A+ to AA-.

The bonds receiving the new rating total more than \$43 million, including over \$40 million in series 2 Green Bonds. Green Bonds are earmarked to be used exclusively for climate and environmental projects.

Fitch’s rating outlook for the bonds has been revised from positive to stable.

In its upgrade, Fitch cites the improved credit quality of Berkshire Wind Power Project participants, whose payments are ultimately used to pay operating expenses and debt service on BWPC bonds. Payments from the project participants are made pursuant to identical take-or-pay power purchase agreements with the Massachusetts Municipal Wholesale Electric Company (MMWEC), while corresponding payments from MMWEC to BWPC are made pursuant to a separate power sales contract.

The “very strong credit quality” of BWPC project participants is supported by the project’s monopolistic utility operations, autonomous rate making authority, very low operating costs and very low financial leverage, according to Fitch. Fitch also cited the strong contractual framework and strong purchasers in its revenue defensibility assessment.

MMWEC formed the BWPC in 2008 to own and operate the Berkshire Wind Power Project, a 10-turbine, 15 megawatt wind farm atop Brodie Mountain in Hancock, Massachusetts. MMWEC and 14 municipal utilities are members of the project, including those in Ashburnham, Boylston, Groton, Holden, Hull, Ipswich, Marblehead, Paxton, Peabody, Shrewsbury, Sterling, Templeton, Wakefield and West Boylston.

An expansion of Berkshire Wind, consisting of an additional two turbines and 4.6 megawatts, is set to go online this summer. Phase II of the project, located adjacent to the existing project, includes municipal utility participants in the towns of Boylston, Chicopee, Hull, Ipswich, Marblehead, Peabody, Russell, Sterling, Wakefield and West Boylston.

“At a time when renewables are becoming more and more in focus, it is fantastic that these Green Bonds have received a rating increase,” said MMWEC Chief Executive Officer Ronald C. DeCurzio. “This upgrade will certainly help this type of niche investment.”

MMWEC is a non-profit, public corporation and political subdivision of the Commonwealth of Massachusetts, created by an Act of the General Assembly in 1975 and authorized to issue debt to finance a wide range of energy facilities. MMWEC provides a variety of power supply, financial, risk management and other services to the state’s consumer-owned municipal utilities.

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