



Berkshire Wind Advance Refunding Saves Participants \$6.7 Million

December 22, 2017 -- The Berkshire Wind Power Project today completed the advance refunding of project debt with a \$40.2 million tax-exempt bond issue that will save the municipal utility project participants and their consumers approximately \$6.7 million over the remaining life of the debt.

The Berkshire Wind Power Cooperative Corporation (BWPC) issued \$64.7 million in 20-year, tax-exempt bonds in 2010 to finance construction of the 10-turbine, 15-megawatt project in Hancock, Mass., the second largest wind farm in Massachusetts. Interest rates on the original bonds ranged from 4.3% to 5.4%. Rates on the refunding bonds, which will mature in 2030, range from 1.6% to 2.7%, yielding an approximate 11% reduction in debt service costs for project participants.

The refunding process was managed on behalf of BWPC by the Massachusetts Municipal Wholesale Electric Company (MMWEC).

Despite a flood of advance refunding bonds on the market due to anticipated changes in federal tax law, the BWPC bonds were more than eight times over-subscribed when the approximately \$40.2 million deal was priced on Thursday, December 14. The over-subscription allowed MMWEC to reprice the original offering to further enhance the savings resulting from the sale, which closed today. The 14 Massachusetts municipal utility BWPC participants, all members of MMWEC, together will save an average of \$514,000 per year for the remaining 13 years on the bonds.

December is typically a slow month for municipal bond activity, but the looming federal tax bill, which eliminates advance refunding of municipal bonds, motivated BWPC and other municipal entities to take action this year.

"The success of this advance refunding is a reflection of the credit strength of MMWEC's member utilities and the resilience of MMWEC's financing capabilities," said MMWEC CEO and BWPC Treasurer Ronald C. DeCurzio. "There was a limited time frame to complete this deal, and the efficient actions of our financing team has yielded significant savings for the Berkshire project participants," he said.

The Berkshire Wind Power Project commenced commercial operations in 2011 and has operated at an average capacity factor of nearly 40%. BWPC consists of municipal light departments based in the communities of Ashburnham, Boylston, Groton, Holden, Hull, Ipswich, Marblehead, Paxton, Peabody, Shrewsbury, Sterling, Templeton, Wakefield and West Boylston, and MMWEC.

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