



## NEWS RELEASE

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

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### **MMWEC Receives \$2.3 Million in Federal Tax Credits for Solar Project through IRA**

Ludlow, MA – January 2, 2025 – Massachusetts Municipal Wholesale Electric Company (MMWEC), the Commonwealth’s designated joint action agency for municipal utilities, is pleased to announce it has received a direct payment from the Internal Revenue Service (IRS) for \$2.34 million under the Inflation Reduction Act (IRA). MMWEC applied for the tax credit under the IRA for the MMWEC/Master Sergeant Alexander Cotton Memorial Solar Project, a 6.9 megawatt (MW) solar array located on the MMWEC site in Ludlow, Mass.

It is believed MMWEC is one of the first public power joint action agencies to benefit from this clean energy tax credit direct payment under the IRA. MMWEC’s success story sets a powerful example of how public power utilities, with the help of joint action, can leverage federal support to advance sustainability and reduce costs for their communities.

Six municipal utilities, located in Boylston, Ipswich, Mansfield, Marblehead, Peabody and Wakefield, participate in the Cotton Solar Project. Project development and the permitting process began in 2021, and the solar array was energized in 2023.

The IRA, signed into law in August 2022, brought with it a new investment tax credit for clean energy projects. Since then, there have been a series of guidance documents and updates issued by the IRS and other federal agencies to implement the applicable section of the law applying to these projects. MMWEC staff worked with tax professionals to ensure all documentation was complete and in order over many months before filing the required return in November 2024. MMWEC received the direct payment for the full amount the project qualified for of \$2.34 million in mid-December 2024.

MMWEC is working to determine the best way to maximize the positive impact the IRA funds will have on the project and its participating municipal utilities. There is potential to eliminate approximately three and a half years of debt service costs for project participants. This direct payment not only strengthens the Cotton Solar Project, but also reaffirms the immense value and potential of public power, showcasing how collaboration, innovation and federal support can work together to make clean energy more affordable, accessible and beneficial for the communities that need it most.

“We are incredibly proud of how the Cotton Solar Project continues to demonstrate the strength and benefits of public power,” said Haley Pedruczny, Treasurer of MMWEC. “This direct payment under the Inflation Reduction Act not only boosts the Project’s success but also ensures that our Project Participants’ communities will continue to benefit from affordable, sustainable energy. We are committed to making the most of these funds to further reduce costs for our Cotton Solar Project Participants, and this is just one more example of how public power can deliver lasting positive impacts.”

“This achievement underscores the role that public power plays in the clean energy landscape, proving that public power utilities are not only leaders in providing reliable, affordable power but are also pivotal in advancing the transition to a sustainable future,” said Joseph Kowalik, General Manager, Marblehead Municipal Light Department, and project participant. “Having MMWEC as a joint action agency, with its breadth of expertise and cost saving solutions, offers the municipal utilities a unique advantage in our decarbonized tomorrow.”

***Massachusetts Municipal Wholesale Electric Company, 327 Moody St., Ludlow, MA 01056***

MMWEC is a not-for-profit, public corporation and political subdivision of the Commonwealth of Massachusetts created by an Act of the General Court in 1975 and authorized to issue tax-exempt 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. It is the largest provider of asset-owned generation for municipal light departments in New England.

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