MMWEC Signs Flow Rights Agreement, Power Deal with Hydro-Québec

LUDLOW, Mass. – November 6, 2020 – The Massachusetts Municipal Wholesale Electric Company (MMWEC), and the Connecticut Municipal Electric Energy Cooperative (CMEEC), the joint action agencies for municipal electric utilities in their respective states, have acted together to maximize the benefits of five-year power flow rights agreements with Hydro-Québec (HQ), a Canadian public utility.

The power is flowing on existing transmission lines, to which MMWEC and CMEEC have contractual rights to transmit power from Canada. It began flowing on November 1, 2020. Under the deal, in exchange for monthly payments from HQ, the MMWEC and CMEEC contractual transmission rights are transferred to HQ, and HQ will flow clean hydro-power from northern Quebec to a delivery terminal just outside of Boston. In addition to other benefits, the arrangement brings clean, carbon-free hydro-power for use in New England.

The agreement with HQ is the result of a joint solicitation by MMWEC and CMEEC for both transmission and carbon-free power. On October 30, 2020, MMWEC signed a power agreement with HQ in which MMWEC reserves a portion of its contractual transmission rights to purchase carbon-free power for its participating municipal utilities. The cost of the power will be reduced by the revenue received for the transfer of the contractual transmission rights.

The five-year power purchase transaction will allow participating MMWEC member municipal utilities to flow clean power down the transmission line. It is a firm power transaction, guaranteeing that MMWEC participating utilities receive this clean power. Nineteen MMWEC member utilities are purchasing 15 megawatts through this transaction, which represents 131,400 megawatt hours annually - enough to power approximately 21,900 homes per year.

“MMWEC member municipal utilities, many of which have adopted their own policies regarding reductions to carbon emissions, continue to be at the forefront of efforts to help the Commonwealth meet its carbon reduction goals contained in the Global Warming Solutions Act,” said MMWEC Chief Executive Officer Ronald C. DeCurzio. “This innovative approach, with MMWEC working with our joint action agency counterpart in Connecticut, utilized the combined economies of scale to make this unique deal a reality. It demonstrates the Massachusetts municipal utilities’ commitment to addressing climate change.”

“CMEEC is pleased with the results of the collaboration with MMWEC, which maximizes the value of our respective flow rights,” said David Meisinger, CMEEC Chief Executive Officer. “CMEEC’s continuing role in enabling the delivery of hydropower from the Province of Québec to New England, which began in the 1980s, remains consistent with CMEEC’s mission to achieve a more environmentally positive source of power for its member utilities and their customers, and is among the cornerstones of that effort.”

“The agreement reached by Massachusetts Municipal Wholesale Electric Company, Connecticut Municipal Electric Energy Cooperative, and Hydro Quebec will continue the Baker-Polito Administration’s commitment to provide clean, cost-effective hydropower to Massachusetts ratepayers,” said Energy and Environmental Affairs Secretary Kathleen Theoharides. “Building on the Commonwealth’s historic procurements of hydroelectricity and offshore wind, the Administration will continue to work with municipalities and utility partners to reduce carbon emissions and ensure a clean, affordable, and resilient energy future.”
In June 2019, the Massachusetts Department of Public Utilities announced the approval of long-term contracts for 9,554,940 megawatt hours (MWh) annually of clean energy through the New England Clean Energy Connect hydropower project. The project was selected by Massachusetts’ investor-owned utility companies through a procurement process established in An Act Relative to Energy Diversity, signed by Massachusetts Governor Charlie Baker in 2016. The NECEC hydro bid was selected for contract negotiation in February 2018 and submitted to the DPU for review and approval in July 2018.

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. It has 20 municipal utility members and 28 project participants. As one of 83 public power joint action agencies in the United States, MMWEC uses the strengths of working together, greater efficiency and economies of scale to help its members provide superior service at a low cost.

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