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MMWEC, CET Awarded Grant for Inclusive Utility Investments Program

Ludlow, MA – May 6, 2024 -- Massachusetts Municipal Wholesale Electric Company (MMWEC) and its energy efficiency provider and partner, CET, are pleased to announce the receipt of a grant to help support decarbonization of the residential sector.

MMWEC is working with CET on CET's Inclusive Utility Investment (IUI) program. The IUI program, already successfully piloted for customers of MMWEC Member Ipswich Electric Light Department (IELD), is an innovative financing program that enables more residents, including renters, to decarbonize their living spaces at a price they can afford. MMWEC and CET have received a grant of more than \$75,000 through the American Public Power Association's Demonstration of Energy and Efficiency Developments (DEED) program to make the program available to more municipal light plants (MLPs). The project will provide support to a cohort of two- to three MLPs for launching IUI programs.

Under IUI, sometimes known as tariff on-bill financing, the resident who upgrades their home's electrification or efficiency measures pays a monthly tariff that sums to no more than the savings in energy costs afforded by the new measures. The tariff is tied to the electric meter, rather than the resident, so that if a resident moves, the tariff simply transfers to the next occupant.

Unlike traditional on-bill financing, where a utility makes a loan to a property owner, thus requiring adequate credit history and a willingness to take on debt, IUI decouples capital improvements from the individual resident or business. It is a financing mechanism that enables upgrading properties with measures that reduce operating costs and improve the comfort, health, and environmental footprint of the building, all with little or no upfront capital investment from the ratepayer.

As part of the project, MMWEC will conduct a feasibility study of implementing MMWEC's unique pooled loan program as a capital pool for MMWEC Member light departments that launch IUI programs. This pooled loan funding would leverage economies of scale and eliminate the substantial time and resources involved in each individual MLP independently sourcing capital.

"What excites me about IUI is that it avails equitable access to clean energy improvements for all customers—renters and low-income included—and has the potential to unlock the pace and scale of residential decarbonization that science-based targets require," says Ashley Muspratt, President & CEO of CET.

"IUI addresses one of the key hurdles to decarbonizing and electrifying the residential sector – up-front cost," says Zoe Eckert, MMWEC's Sustainable Energy Policy and Program Senior Manager. "We are excited to continue our work with CET to expand the availability of this program to more municipal utility customers. The IUI program is an effective tool to enable more people to decarbonize their homes without breaking the bank."

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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CET, a regional nonprofit, operates on the front lines of climate action by helping people and businesses decarbonize through waste reduction, energy efficiency, and electrification. With nearly 50 years of experience, CET envisions a world that has embraced and advanced just and resilient climate solutions.

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