

## Power Supply Project Debt Shrinks to \$10.68 Million; Full Retirement in 2019

**M**MMWEC recently paid its bondholders \$45 million in principal and nearly \$1 million in interest, bringing the outstanding debt on MMWEC's power supply projects down to just \$10.68 million.

The bonds for Nuclear Project 4, which represents a 49-megawatt portion of MMWEC's 144-megawatt ownership in Seabrook Station in New Hampshire, are now retired.

"Retirement of these bonds represents an important step towards debt-free ownership of Seabrook Station," said MMWEC Chief Executive Officer Ronald C. DeCurzio. "The success of this power supply and financing program provides project participants with an independent public power supply and the ability to stabilize rates."

MMWEC has issued more than \$4.7 billion in bonds since 1976 to finance and refinance its 735-megawatt ownership interests in several New England generating facilities, including Seabrook Station, Millstone 3 in Connecticut, the Stony Brook power plant in Ludlow, Mass., and Wyman Unit 4 in Yarmouth, Maine. All of MMWEC's power supply project debt will be retired in 2019.

In 2014, MMWEC retired the bonds associated with a 19.6-megawatt ownership interest in Millstone and a 2-megawatt ownership interest in Seabrook. All of the MMWEC debt associated with the Stony Brook and Wyman Unit 4 plants was retired in 2008. Through its ownership in these plants, MMWEC provides electricity to 28 Massachusetts municipal utilities and six Vermont utilities.

Seabrook Station and Millstone 3 are expected to operate until at least 2045, long after the debt for these plants is retired. In addition, a program has been conducted to extend the life of key components at the Stony Brook plant until at least 2030, without issuing additional debt.

Payments for the principal and interest on MMWEC bonds are derived from contracts through which municipal utilities agree to pay a share of MMWEC's unit ownership costs, including the cost of debt service, unit operation and administrative expenses. In return, the utilities are entitled to receive a proportionate share of the unit's output. ∞



**MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY**

**POWER SUPPLY SYSTEM REVENUE BOND**

MMWEC is a non-profit, public corporation and political subdivision of the Commonwealth of Massachusetts with unique statutory authority to issue tax-exempt revenue bonds to finance the energy needs of Massachusetts municipal utilities.

*Berkshire Wind Completes 6 Years of Operation..... Page 4*

## EV Program Offers Vehicle Discounts, Charger Incentive

**M**MMWEC and its Members are easing access to emissions-free vehicles for municipal light department customers. The MMWEC Electric Vehicle Program was officially launched at this year's MMWEC Annual Conference in May.

As part of its efforts to accelerate clean transportation alternatives in Massachusetts, MMWEC has teamed up with Nissan to offer steep discounts to customers and employees of participating municipal light departments.

Customers and employees of participating municipal light departments need only show a copy of a prepared flyer, supplied by their light departments, plus their utility bill or proof of

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*A Wi-Fi-equipped Level 2 ChargePoint residential electric vehicle charger is part of the MMWEC EV Program.*

## MMWEC Protests 'Unlawful' Transmission Rate Increase

**S**eeking to prevent a "patently unlawful rate increase" for electric consumers, MMWEC, the Massachusetts Attorney General, state utility regulators and consumer advocate agencies from throughout New England are fighting an effort by the region's transmission system owners to restore a rate that was found by federal regulators to be unjust and unreasonable.

The transmission owners are seeking to reinstate an 11.14% base rate of return on equity (ROE) on their nearly \$12 billion investment in transmission facilities. Essentially, the ROE is the amount of profit the

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## Massachusetts, Connecticut Consider Support for Nuclear Energy

The Massachusetts Department of Environmental Protection will be reviewing regulatory options that would provide support for the continued operation of nuclear power plants, potentially joining other states that have approved or are considering various measures to ensure the future of the carbon-free nuclear industry.

The reference to potential support for nuclear was made following the release of the DEP's new Clean Energy Standard regulations on August 11. DEP will complete a review of options for including nuclear power in the CES, beginning later this year, according to DEP comments on the regulations. Interested stakeholders will be invited to participate in the process.

One option under consideration would be amending the Clean Energy Standard to add a separate requirement to support existing clean generators, such as nuclear plants, with a clean energy certificate program. The purpose of the program would be to encourage existing clean generators to continue to generate electricity for consumption in Massachusetts at current or historic levels.

The program could be set up various ways, including requiring retail electricity sellers to purchase clean energy certificates (CECEs) from existing clean generators. Also under consideration is an alternative compliance payment option to limit im-

pacts on electricity rates and provide nuclear power another source of support as the industry competes with low natural gas prices.

In Connecticut, legislative efforts aimed at providing support to the Millstone nuclear power plant remain under discussion in a special session of the Connecticut General Assembly. For the second straight legislative session, a bill crafted to enable Millstone to compete with other clean energy resources has not reached the desk of Governor Dannel Malloy. However, it is still on the table during a special legislative session to approve a state budget, which is taking place this summer.

In July, Governor Malloy signed an executive order directing the state Department of Energy and Environmental Protection and the Public Utilities Regulatory Authority to assess the regional energy market, procurement rules and the economics of the Millstone plant. The study is due on February 1, 2018.

MMWEC owns 11.59% of the Seabrook Station nuclear plant in New Hampshire and 4.8% of Millstone Unit 3. ∞



## MMWEC Protests 'Unlawful' Transmission Rate Increase ..... continued from Page 1

transmission owners, including Eversource, National Grid and Central Maine power, can earn on their investments.

A ROE of 10.57% was approved by federal regulators in 2014, but a federal appeals court vacated and remanded that decision to the Federal Energy Regulatory Commission (FERC) in April 2017.

The transmission owners' position is that because the decision establishing the 10.57% rate has been vacated, the rate should revert to the higher rate of 11.14%.

In a joint filing to FERC in June, MMWEC and others explain that the court's decision was not intended to result in restoration of the higher rate, which was found by FERC to be unjust and unreasonable. Instead, the court decision directs the FERC on remand to justify why they deviated from their

typical rate-setting practice, which would have resulted in a rate lower than 10.57%.

In fact, the MMWEC filing argues that a new base rate should be set well below 10.57%.

***"If the New England transmission owners are successful in reinstating the higher rate, it will be a gross miscarriage of justice and an insult to consumers."***

***-Ronald C. DeCurzio***

"If the New England transmission owners are successful in reinstating the higher rate, it will be a gross miscarriage of justice and an insult to consumers," said MMWEC CEO Ronald C. DeCurzio.

"Including other incentives, they are seeking returns of more than 13% on their investments, which is totally unjustified in today's interest rate environment."

Based on 2014 estimates provided by the Massachusetts Attorney General's Office, reduction of the transmission ROE from 11.14% to 10.57% saved approximately \$62 million per year in transmission costs for all New England consumers. However, the amount of savings resulting from this rate change has increased significantly due to an increase in the amount of investment in transmission facilities.

The transmission owners are attempting to recoup these savings from consumers and collect the higher rate going forward. They are planning to reinstate the higher rate early in October unless the FERC takes action to prevent them from doing so.

MMWEC and others are arguing that the 10.57% rate should remain in place until the FERC reconsiders in 2014 decision, as directed by the court, and issues a new ruling on the matter. ∞

## MMWEC Members Install LED Streetlights with Grant Funds

**M**MMWEC Members are nearing completion of the installation of new, long life and energy efficient LED street lights and controllers. Using \$2.9 million in state grant funds under the state Department of Energy Resources' LED Street Lighting Accelerator Program, 15 MMWEC members participated in the program. Serving as the program administrator for the grant, MMWEC was able to remove both the administrative burdens of managing the grant process as well as the actual procurement of lights. Additionally, by working jointly and in coordination with MMWEC, members were able to leverage their collective demand for both fixtures and photo controllers resulting in significant cost savings.

Several municipal light plants have received all of the streetlights to be installed in their communities, and many are also on track to complete their installations ahead of the June 2018 deadline for installation set by the state. The participating MMWEC member municipal light departments are located in Boylston, Chicopee, Holden, Holyoke, Hull, Ipswich, Mansfield, Marblehead, Paxton, Peabody, Princeton, Shrewsbury, South Hadley, Templeton and West Boylston.

The DOER issued its first disbursement of 25% of the funding in the spring, and prepared to send an additional 50% this summer. The final 25% of funding will be disbursed in 2018, after DOER completes inspections of the installations in each of the communities awarded grant funds for the project.

The new lights are 30-50% more energy efficient than the fixtures they are replacing. In addition, LED street lights do not contain toxic chemicals such as mercury that traditional

street lights can, and have overall lower maintenance costs due to their significantly longer life span. The light given off can also be directed more specifically than light from older fixtures. Since all of the lights procured under this program come with seven-pin receptacles, it paves the way for innovative, "Smart City" uses of lighting such as remotely controlled dimming, pole mounted cameras and numerous other advanced applications.∞



**A Holden Municipal Light Department employee replaces an old streetlight with a new, energy efficient LED streetlight. Holden is replacing over 1,200 street lights under the grant program and is about 30% complete.**

## EV Program Offers Vehicle Discounts, Charger Incentive ..... continued from Page 1

employment, at a participating Nissan dealership. They are then eligible to receive a \$10,000 rebate off the Manufacturers Suggested Retail Price (MSRP) on a new 2017 Nissan Leaf. In addition, purchasers are eligible for up to \$7,500 in federal tax incentives, and up to \$2,500 in state tax incentives, resulting in \$20,000 in potential savings. This offer expires September 30, 2017, or while supplies last.

The Nissan Leaf has a range of up to 107 miles. It comes with an eight-year, 100,000-mile limited battery warranty. The Leaf never needs gasoline or oil changes, and has a reduced impact on the environment over traditional internal combustion engine vehicles.

In addition to the vehicle incentives, several participating MMWEC Members

are offering an electric vehicle charger incentive to customers and employees. In a partnership with charger manufacturer ChargePoint, participating Members are providing EV owners with a Wi-Fi-equipped Level 2 residential electric vehicle charger for free or at a reduced cost. The Level 2 charger fully charges a vehicle in eight hours or less – much



faster than the Level 1 charger supplied with a new electric vehicle.

Customers participating in the charger program must sign up for their light department's scheduled charging program, and are responsible for the cost of charger installation. The purpose of the scheduled charging program is to reduce peak electric load during the late afternoon and early evening hours, which helps reduce costs for consumers.

"MMWEC is pleased to offer this electric vehicle and charger program to its Members," said MMWEC Chief Executive Officer Ronald C. DeCurzio. "The EV program is another component in our green technologies initiative, and the charger incentive and scheduled charging program help our Members continue to deliver low-cost, reliable electricity." ∞

## MMWEC Updates, Streamlines Record Retention Schedule

The MMWEC records retention schedule has undergone a complete overhaul, resulting in a streamlined and updated system.

The records retention schedule, which dictates the length of time specific types of records must be kept before their destruction, must be approved by the state every two years. The most recent version of the retention schedule was approved by state records officials this summer. As a quasi-public state agency, MMWEC has its own retention schedule, whereas municipalities and state departments follow a pre-determined schedule.

Records Management Specialist Elise Marzik, with assistance from MMWEC staff, used state and federal guidelines, along with specific business needs, to determine the specifics of this schedule. A consultant and legal counsel also assisted in the months-long process.

*The new system should improve efficiencies and reduce the amount of labor hours staff spend on records organization and retention.*

Three years ago, the records retention schedule was more than 160 pages. The latest iteration is just 40 pages.

Marzik worked with business unit directors and staff to eliminate duplicate or unnecessary categories. The new schedule includes broader categories, and therefore is more user-friendly. The records management industry has evolved, and the new retention schedule is now in line with industry standards.

Marzik said the new system should improve efficiencies and reduce the amount of labor hours staff spend on records organization and retention.

“It makes it easier for people to self-manage their records,” Marzik said. “The previous retention schedule was cumbersome and difficult to navigate. This new version is more intuitive, and should make the cataloging of records an easier process.” ∞

## Berkshire Wind Project Completes 6 Years with Strong Operating Record

The Berkshire Wind Power Project recently marked six years of operation while posting a capacity factor of nearly 40% for the 12 months ending June 30.

The June 2017 capacity factor of 39.9% is the highest for the month of June since the project began operating.

Berkshire Wind has achieved a capacity factor of 37.4% since it started operating, which means there was sufficient wind and turbine availability to operate the project at 37.4% of its full generating capability. This is a relatively high capacity factor for an inland wind project, reflecting the excellent wind conditions at the project’s home on Brodie Mountain in Hancock, Massachusetts, one of the state’s best wind sites.

The 10-turbine, 15-megawatt project is operated by MMWEC and owned by the Berkshire Wind Power Cooperative, which consists of MMWEC and 14 of its member municipal utilities. It started commercial operation in May 2011. The municipal utility members of the Cooperative are based in the communities of Ashburnham, Boylston, Groton, Holden, Hull, Ipswich, Marblehead, Paxton, Peabody, Shrewsbury, Sterling, Templeton, Wakefield and West Boylston.



*The Berkshire Wind Power Project achieved a capacity factor of nearly 40% over the 12 months ending June 30, 2017.*



Massachusetts Municipal Wholesale Electric Company

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A non-profit, public corporation and political subdivision of the Commonwealth  
Joint Action and economies of scale for Massachusetts municipal utilities

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