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Fitch Ratings Affirms Berkshire Wind Project Bonds at AA-

Ludlow, MA – May 12, 2022 – Fitch Ratings has affirmed the AA- rating on bonds issued by the Berkshire Wind Power Cooperative Corporation (BWPCC) to finance the 15-megawatt Phase 1 portion of the Berkshire Wind Power Project. The 19.6-megawatt project is located atop Brodie Mountain in the towns of Hancock and Lanesborough, MA.

The AA- rating applies to \$34.4 million in wind project revenue Green Bonds, series 2. Green bonds are earmarked to be used exclusively for climate and environmental projects.

Fitch has also issued a rating outlook of stable. Fitch originally upgraded the rating and rating outlook to their current levels in 2019.

The AA- rating largely reflects the credit quality of the utilities participating in Phase 1 of the project. Phase 1 participating municipal light plants (MLPs) include Ashburnham, Boylston, Groton, Holden, Hull, Ipswich, Marblehead, Paxton, Peabody, Shrewsbury, Sterling, Templeton, Wakefield and West Boylston.

Payments from the project participants are made pursuant to identical take-or-pay power purchase agreements with the Massachusetts Municipal Wholesale Electric Company (MMWEC), the Commonwealth's designated joint action agency for municipal utilities. MMWEC is a member of the BWPCC and operates the wind farm.

In its rating report, Fitch identifies several key drivers, including a strong contractual framework. The assessment also factors in the terms of the contract that provide for unconditional payments from the 14 project participants. The power purchase agreements require MMWEC to sell, and each participant to purchase, the project capacity and energy based on their allocated share of the project. Payments are imposed on a take-or-pay basis, whether or not the wind project is operating. Each of the participants is required to maintain rates sufficient to repay their obligations under the respective agreements. Fitch cites very strong rate flexibility in its rating report, as rates charged by each of the project participants are determined by each utility's governing board. Autonomous ratemaking authority and retail rates that are highly affordable and well below the state average all led to this positive rating.

"At a time when renewables are becoming more crucial to getting to net zero carbon emissions by 2050, this type of investment is more important than ever," said MMWEC Chief Executive Officer Ronald C. DeCurzio.

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.

Developed by Municipal Utilities Serving the Communities of:

ASHBURNHAM | BOYLSTON | CHICOPEE | GROTON | HOLDEN | HULL | IPSWICH | MARBLEHEAD | PAXTON
PEABODY | RUSSELL | SHREWSBURY | STERLING | TEMPLETON | WAKEFIELD | WEST BOYLSTON