



NEWS RELEASE

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

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Fitch Ratings Affirms Berkshire Wind Project Bonds

Ludlow, MA -- February 29, 2024 -- Fitch Ratings, one of the three nationally recognized credit rating agencies, has affirmed its AA- rating on bonds associated with the Berkshire Wind Power Project.

Fitch affirmed the rating on \$31.3 million wind project revenue bonds series 2, which are classified as “Green Bonds.” Fitch also stated that the Rating Outlook is “Stable.” Green Bonds are specifically designated to finance environmentally-friendly projects.

The AA- rating largely reflects the credit quality of the utilities participating in Phase One of the Berkshire Wind Power Cooperative Corporation (BWPC), a 10-turbine, 15-megawatt (MW) project, located along the ridgeline of Brodie Mountain in the communities of Hancock and Lanesborough, Mass. Phase One of the project is owned by 14 municipal utility participants, and their joint action agency, the Massachusetts Municipal Wholesale Electric Company (MMWEC). MMWEC operates the project, along with Phase Two, which consists of two additional turbines totaling 4.6 MW.

Payments from the project participants are ultimately used to pay operating expenses and debt service on the series 2 bonds. Payments from the project participants are made pursuant to identical take-or-pay power purchase agreements with MMWEC, while corresponding payments from MMWEC to BWPC are made pursuant to a separate power sales contract. The obligations of the purchasers to MMWEC, and MMWEC’s corresponding obligation to BWPC, are absolute and unconditional.

The very strong credit quality of the project participants, particularly the largest, is supported by their monopolistic utility operations, autonomous rate making authority, low operating costs and very low financial leverage, according to Fitch. The purchaser credit quality is determined by Fitch’s evaluation of the aggregate credit quality of the project participants, and is capped by the credit quality of the light departments with the largest entitlements, which include the municipal utilities located in Peabody, Shrewsbury, Wakefield, Holden, Marblehead and Ipswich.

“The strong credit rating of the participants is indicative of the effective leadership and management of the municipal light departments, in accordance with the public power business model,” says MMWEC Chief Executive Officer, Ronald C. DeCurzio.

Fitch also identifies the operating risk as “A,” stating that BWPC’s operating risk assessment is low. This reflects an operating cost burden of 11.28 cents per kilowatt hour and the relatively small magnitude of the project costs as a percentage of the purchasers’ total costs.

Berkshire Wind Phase One participants also include the utilities located in Ashburnham, Boylston, Groton, Hull, Paxton, Sterling, Templeton, and West Boylston.

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