MMWEC UPDATE ON PROJECT 2015A

Ludlow, MA -- July 16, 2021 – The Massachusetts Municipal Wholesale Electric Company (MMWEC) has filed with the Department of Public Utilities (DPU) an update regarding its proposed capacity resource in Peabody, known as Project 2015A, requesting that the proceeding resume on July 29, 2021.

As required by the DPU's previous order, yesterday MMWEC informed the DPU that it is prepared to resume the proceeding in which MMWEC is seeking authority from the DPU to issue tax-exempt long-term debt to finance the Project. In its filing, MMWEC requests that the DPU set July 29, 2021 as the deadline for initial briefs in the case, with reply briefs due by August 5, 2021.

At a meeting held Tuesday, July 13, 2021, MMWEC's board of directors voted to resume MMWEC's efforts for the Project. In May, the board authorized a minimum 30-day pause to address concerns brought to the MMWEC board, while also considering available options to fulfill its participants' required capacity obligations under ISO New England rules. The Project has been under development and public review for more than three years and has secured required state permits through the state's robust regulatory processes.

During this time, in consideration of its obligations and public input, MMWEC exercised due diligence and re-examined the project (including termination); project participant needs, obligations and rates; and alternative technologies (including battery storage). MMWEC also reexamined Environmental Justice issues and concerns related to the project.

In coordination with MMWEC's due diligence efforts, the Peabody Municipal Light Plant (PMLP) has decided it will use its portion of Project 2015A to replace the capacity from its existing Waters River Unit 1 generator on the PMLP site.

PMLP came to the decision to replace and decommission its existing 20 megawatt (MW) generator, which dates back to the 1970s, after analyzing new Environmental Justice areas designated as of the end of June, 2021 based on the 2020 Census. The capacity replacement would result in the generator being shut down consistent with PMLP's obligations in the ISO New England capacity market and in accordance with ISO New England tariff requirements.

During the pause, which began on May 11, MMWEC engaged with numerous interested parties, including residents of Peabody, legislators, other state and local elected officials and the administration. Public meetings were held in Peabody and Danvers. Additionally, several participating municipal light departments discussed the project in open public meetings, taking in comments from the public. In addition, MMWEC expanded the information posted on the project website, www.project2015A.org, in response to questions asked.

As a result of this effort, during the pause, it was decided that a proposed new 200,000 oil storage tank would not be installed on site, and the facility will now use urea, a non-hazardous substance, rather than ammonia, as a scrubbing agent for NOx emissions. In addition, MMWEC undertook extensive discussions with the equipment manufacturer about the potential to incorporate green hydrogen into the fuel mix to further reduce emissions from the Project. Because green hydrogen as a fuel source is an extremely new technology those efforts remain to be concluded.

"MMWEC appreciates the recent input on the project from everyone," said Ron DeCurzio, CEO of MMWEC. "As proven leaders in the incorporation of carbon-free technologies, MMWEC and its Members continue to look for

ways to increase the carbon-free generation in their energy portfolios, while ensuring they are providing the required capacity, grid reliability, and dependable service for their customers."

Project 2015A Background

As proposed, Project 2015A is a 55-megawatt capacity plant to provide necessary capacity for 14 nearby cities and towns during periods of peak electricity demand. It is expected to run approximately 239 hours per year – only when called upon by ISO New England during times of system stress. Because it will be among the newest and most efficient resources, it will produce fewer emissions than 94 percent of the fossil fuel plants in New England. Without this resource, local utilities that are required to have capacity will continue to rely on older, less efficient energy power plants through the ISO-New England markets. Thus, this resource will displace carbon that would otherwise be produced by higher-polluting plants, resulting in a net reduction in carbon emissions.

Information about Project 2015A can be found at www.project2015A.org.

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