



## **MMWEC Statement in Response to Reports on Project 2015A**

Ludlow, MA -- March 10, 2022 – The Massachusetts Municipal Wholesale Electric Company (MMWEC), the Commonwealth’s designated joint action agency with the unique authority under state statute to issue tax-exempt bonds to develop energy projects for the municipal utilities of Massachusetts, is aware of the release of two “new” reports commissioned by the opponents of Project 2015A, a capacity resource currently under construction in Peabody.

These reports represent more of the same as it relates to attempts to discredit the project. In fact, these exact same issues were raised before the Department of Public Utilities (DPU) – including an attempt to submit Strategen’s first report opposing the project into the docket – but these arguments were soundly rejected by the DPU.

In rejecting the report and these arguments, the DPU found “the proposed Project is reasonably necessary, in the public interest, and represents the best option at the lowest possible cost, given other possible alternatives and associated risks”. There were no appeals to the DPU’s conclusions that the Project is in the public interest, the unit is the lowest cost option, or regarding the Project’s associated risks, and denial of the Strategen Report. The DPU ultimately found in their Order approving the project’s financing that “MMWEC has shown that the 60 MW capacity resource will offer needed capacity as well as price stability for project participants and their ratepayers.”

MMWEC and the Project Participants followed all applicable laws, regulations and procedures in developing Project 2015A, putting the project into the ISO New England capacity markets, Massachusetts Environmental Policy Act (MEPA) review, obtaining Department of Environmental Protection (DEP) Air Quality Plan Approval, and finally, getting the required financing authority from the DPU.

The financial projections depicted in the Strategen Addendum report directionally reflect what MMWEC has already presented publicly. However, the Strategen report relies on incomplete data and does not reflect the lower debt service and forward reserve revenue, which lower the Project costs for the participating light departments. These omissions in the Addendum analysis result in understating the expected savings from the Project by 30%.

As previously stated, the project represents a long-term hedge for project participants. The material volatility in forecasts from year to year underscore the uncertainty in future capacity prices. As a long-term hedge, this is only one part of a participating municipal light plant’s overall power portfolio strategy, which also includes multiple renewable energy resources, such as wind, solar and hydro.

The DEP’s Air Quality Plan Approval issued September 30, 2020, constituted an independent health impact study. The analyses incorporated into the plan approval, including cumulative air dispersion modeling, were performed independently, not by MMWEC, and were conducted for the purpose of protecting the “public health and welfare.”

Once again MMWEC needs to clarify misinformation that continues to be presented by Project opponents. The Peabody capacity resource is expected to run just 239 hours per year and emit approximately 7,085 tons of carbon emissions per year. Emissions will be below both national and Massachusetts Ambient Air Quality Standards. In addition, the project will include a non-emitting compressor – not an emitting gas compressor. MMWEC encourages anyone interested in learning the facts about the Project to visit [www.project2015a.org](http://www.project2015a.org).