



NEWS RELEASE

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

Contact: Kate Roy, Director of Communications & External Affairs
(413) 308-1351
kroy@mmwec.org

Fitch Ratings Affirms AA- Rating for MMWEC Northeast Reliability Center Project Bonds

Ludlow, MA – October 10, 2024 – Fitch Ratings has affirmed its rating of AA- on approximately \$59.7 million in revenue bonds issued by the Massachusetts Municipal Wholesale Electric Company (MMWEC) for the Northeast Reliability Center in Peabody, Mass.

MMWEC, the Commonwealth's designated joint action agency for municipal utilities, issued the MMWEC 2021 series A bonds to finance the 60 megawatt (MW) dual-fuel, simple cycle generating plant and balancing resource. The unit was built on land owned by the city of Peabody. The Northeast Reliability Center serves primarily as a capacity resource for its 14 municipal light plant (MLP) participants. It is dispatched infrequently, mainly during periods of peak electricity demand. The capacity provided by the project will assist the participants in balancing the increased use of intermittent renewable energy in order to meet the Massachusetts MLP Greenhouse Gas Emissions Standard targets of 50% carbon-free energy sales by 2030, 75% carbon-free energy sales by 2040, and net zero emissions by 2050.

The 'AA-' rating reflects the credit quality of the project participants, particularly the credit quality of the largest purchaser, Peabody Municipal Light Plant (PMLP). Payments from the project participants are made pursuant to identical take-or-pay power sales agreements (PSAs) with MMWEC that are absolute and unconditional.

Fitch also assessed the operating risk at 'aa.' Fitch's report states that this reflects Northeast Reliability Center's anticipated very low costs that will account for much less than 25%, on average, of each project participant's total electric system operating costs. The project is used by MMWEC to balance its overall power portfolio, stabilize capacity costs and support reliability in a time of increased intermittent renewable generation on the grid.

"The Fitch AA- rating speaks to the strength of MMWEC's legislative authority to apply 'Take or Pay' language and to the financial diligence of the municipal light departments' governing bodies," says MMWEC CEO Ronald C. DeCurzio.

MMWEC's enabling legislation in 1975 gave it the unique power to issue tax-exempt revenue bonds to finance electric generating facilities and other projects. Using this statutory authority, MMWEC has issued more than \$7 billion in bonds since 1976 to finance and refinance its 780-megawatt ownership interest in six major generating plants.

MMWEC is a not-for-profit, public corporation and political subdivision of the Commonwealth of Massachusetts created by an Act of the General Court in 1975 and authorized to issue tax-exempt 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. It is the largest provider of asset-owned generation for municipal light departments in New England.

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