



Massachusetts Municipal Wholesale Electric Company

NEWS RELEASE

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Municipal utility cooperative purchases assets of Berkshire Wind Project

BOSTON, Mass. – June 12, 2008 – The Berkshire Wind Power Cooperative Corporation (Cooperative), a municipal lighting plant cooperative comprised of 14 Massachusetts municipal utilities and the Massachusetts Municipal Wholesale Electric Company (MMWEC), yesterday acquired ownership of the assets associated with the proposed 15-megawatt wind power project on Brodie Mountain in Western Massachusetts.

Assets acquired by the Cooperative include the easements, permits, agreements, engineering documents, developed property and other items that enable the Cooperative to build and operate the proposed Berkshire Wind Project in Hancock and Lanesborough, Mass. An access road and some excavation work have been completed at the project site.

The Cooperative intends to complete development of the Berkshire Wind Project, including the purchase, installation and operation of wind turbines at the project site.

“This transaction represents a major commitment on the part of municipal utilities to develop a clean and renewable energy resource that has multiple benefits for the utilities and the Commonwealth as a whole,” said Cooperative President H. Bradford White, manager of the West Boylston Municipal Light Department. “With these assets in hand, the Cooperative will proceed as expeditiously as possible with the work required to bring the project into operation,” he said.

The Cooperative has entered into a short-term, \$8 million loan agreement with PeoplesBank of Holyoke, Mass., to finance its purchase of the project assets as well as ongoing development activities. The Cooperative paid \$4 million for the project assets, formerly owned by Berkshire Wind Power, L.L.C., which initiated project development approximately a decade ago. The balance of loan proceeds will be used for a deposit on wind turbines and to finance other development activities.

The total project cost is estimated to be approximately \$45 million. The Cooperative is in the process of arranging long-term financing for the project.

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The municipal utility members of the Cooperative are based in the communities of Ashburnham, Boylston, Groton, Holden, Hull, Ipswich, Marblehead, Paxton, Peabody, Shrewsbury, Sterling, Templeton, Wakefield and West Boylston. All provide electricity at retail to their customers. MMWEC is a non-profit, public corporation and political subdivision of the Commonwealth of Massachusetts that provides a wide range of power supply, financial and other services to the municipal utilities.

The current project design calls for the installation of 10, 1.5-megawatt wind turbines, for a total project capacity of 15 megawatts. Depending on the availability of wind turbines and other factors, the project could provide additional megawatts and be in operation by 2010.

“Pursuit of this project is consistent with our ongoing activities to explore and develop alternatives to fossil fuels for power generation,” White said. “The purpose of these activities is to diversify the municipal power supply, bring greater stability to power prices and help in addressing climate change issues,” he said.

Members of the Cooperative began their association with the Berkshire Wind Project in 2004 when they entered into agreements to purchase the entire output of the project. In 2007, the municipal utility members of the Cooperative decided to pursue outright ownership of the project and to complete project development.

Under documents governing the establishment and operation of the Cooperative, MMWEC will serve as the Cooperative’s agent in financing the Berkshire Wind Project and in performing the administrative and accounting functions of the Cooperative. MMWEC also will serve as the Cooperative’s representative to ISO New England. The municipal utility members of the Cooperative will be responsible for repayment of any debt issued on behalf of the Cooperative as well as any administrative expenses incurred by the Cooperative.

MMWEC and the Princeton Municipal Light Department created a similar cooperative last year to develop a 3-megawatt wind project in Princeton, Mass. PeoplesBank provided approximately \$6.5 million for the initial financing for that cooperative.

“In providing the initial capital for these two projects, PeoplesBank has demonstrated its commitment to renewable energy resources,” said MMWEC Chief Operating Officer Ronald C. DeCurzio. “These municipal utilities are working hard to move the Berkshire and Princeton projects into production, and the financing provided by PeoplesBank is an important step forward for both projects,” he said.