



Peabody Municipal Light Plant

Community Owned. Not for profit. It's Ours.

PRESS RELEASE

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PEABODY – PMLP, and all electric distribution companies throughout New England, are required to secure energy as well as capacity to meet the needs of their customers. Energy, measured in kilowatt hours, is the amount of electricity used; it's what makes our refrigerator stay cold and our toaster oven hot. Capacity is the ability to generate energy at the time when it's needed. The operator of the regional electric grid, ISO New England, requires that PMLP, as a load-serving entity, must secure its full electric load, plus an additional 40-50%, to have enough capacity in the event of system stress. System stress can be caused by extreme hot or cold weather, and/or when energy sources are offline.

At your municipal light plant, we must have capacity available for you when you turn on your air conditioner unit on a hot summer day. Chances are, everyone wants a break from the heat at the same time. Those peak demands on the system are a test of our CAPACITY. If our capacity isn't ready for your demand, there can be problems. The recent blackouts in Texas are an example of a time when there wasn't enough capacity available to meet a spike in demand. ISO New England requires capacity to avoid a situation like the crisis in Texas, where no such requirement exists.

At PMLP we are looking ahead. Since 2008, PMLP has added only carbon-free resources to our energy portfolio. These include Berkshire Wind Phase I and II, Hancock Wind, and Eagle Creek Hydro. In just the past six months, PMLP has agreed to purchase an additional 2-megawatts of hydro energy and we became one of six municipal utilities participating in a proposed 7-megawatt solar project to be built in Ludlow. Unfortunately, because of the intermittent nature of these resources, none of them provide us with much in regards to capacity. Conversely, Project 2015A provides very little energy, but does provide us with the capacity attributes that those aforementioned renewables do not. Because the generator is designed to turn on quickly during times of peak demand or system stress, the project is of value to PMLP and our customers because it will satisfy a significant part of our capacity requirement (approximately 10%) while supplying a much smaller portion of our energy requirement (a fraction of 1%). It's this diversified planning that helps to keep your rates low and stable.

Helping to satisfy our capacity requirement in addition to our energy requirement, increasingly with renewable resources, is one of many steps that we are taking at the Peabody Municipal Light Plant to deliver highly reliable electric service while containing costs for our customers.

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