



Peabody Municipal Light Plant

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

April 4, 2023

Dear PMLP ratepayer,

Effective April 1, 2023, PMLP is pleased to announce there will be a 15% decrease in the rate that you pay on your monthly electric bills! This is a result of a reduction to the Purchased Power and Fuel Cost Adjustment (PP&FCA) charge, and effectively negates the prior 16% increase that PMLP issued on January 1 due to concerns of significantly elevated winter energy prices.

The primary factor contributing to the decrease in rates was lower-than forecasted market gas and electricity, brought about largely from the mild winter experienced in New England. New England is still very much dependent on natural gas for electric generation and, especially in the winter, the cost of gas and therefore electricity, is very much tied to demand. Had we experienced a winter with prolonged stretches of below-average temperatures, limitations in gas availability could have sent prices soaring higher than what was experienced. Since these spikes in energy prices were minimal, we're passing those savings on to you, the customer.

According to Peabody Municipal Lighting Commissioner Bill Aylward, "PMLP has been able to maintain low rates in Peabody due to resilient long-term planning, strategic implementation and usage of reserve funds, as well as continued support of peaking units as additional revenue streams." Aylward was also excited to say how "PMLP is continuously re-evaluating its energy and capacity sources with an eye on environmental sustainability. We've been on this path since the 1980's. Our energy portfolio is already 43% carbon-free, positioning us well for meeting net-zero goals. And we're adding a utility-scale battery later this year, which will add new ways to help shave the peak and therefore dollars from customer bills!" Aylward also states that: "This winter was a hard one to predict, with the war in Ukraine disrupting the availability of gas which has the potential to drive up cost. But we're happy to be able to say we're able to reduce bills. It's a refreshing change!"

PMLP Manager, Joe Anastasi commends the Commission's commitment to our four pillars of safe, reliable, cost-effective power while being environmentally sustainable. Anastasi also said that he was "pleased to be able to work with the Commission to contain the rates that PMLP customers pay, while not depleting reserves, although we came close!" Anastasi recognized how increasingly difficult it's become to manage the uncertainty of the wholesale market. "The volatility of this market is entirely responsible for the required increase in January, and the decrease we're seeing now."

"We pride ourselves on having some of the lowest rates in Massachusetts, and we have gotten there by investing in a diverse power portfolio and exploring all the options for purchasing electricity that are both clean and reliable," said Anastasi.

The goal of being "carbon neutral" by 2050 "is always in our sites," according to Commissioner Aylward, who commends Manager Anastasi's tenacity when it comes to this difficult landscape of unknowns. Said Anastasi: "the recent removal of a large wind project from PMLP's plans because of project delays and changes in project finances, is just another factor in developing our rate structure. We must not get discouraged. We must not give up." While PMLP is not suggesting an extension on the ultimate 2050 goal, it is raising awareness to the ever-changing landscape in the path to carbon neutrality. "We'll continue to look at wind, solar, hydro and nuclear power to get us there. And we strive to get there first!"

If there is a question about PMLP electric service, anyone is invited to pose a question to the manager and our team of professionals. Our quarterly Energy Awareness Forum is online now, and more available to everyone at any hour. Your question might be on the minds of many of your neighbors, so don't be shy about sharing your concerns.

To participate in the Energy Awareness Forum, visit pmlp.com/Energy-Awareness.html.