



Applied Economics Clinic  
Economic and Policy Analysis of Energy, Environment and Equity

## New reports outline the financial risks associated with investing in the proposed Peabody Peaker plant, and indicate purchasing energy on the open capacity market is forecasted to be cheaper than the \$85 million plant

For Immediate Release

*Waltham, Massachusetts.* March 10, 2022

Today, the Applied Economics Clinic (AEC) and Strategen released new policy briefs and analyses outlining the financial and policy risks associated with moving forward on the proposed Peabody Peaking power plant. The Peabody Peaker is already seen as a bad investment given the climate and environmental impact that this \$85 million peaking power plant will have. These new materials further establish that it is both financially and environmentally preferable for the 14 participating Municipal Light Plants (MLPs) to withdraw from the project.

The policy brief, prepared by AEC on behalf of the Massachusetts Climate Action Network (MCAN), highlights the expected stability in the capacity market over the next 10 years and the rising costs of fracked gas prices as two factors that make investing in a new, polluting fossil fuel resource risky. AEC also highlights the risk that the implementation of current and future climate and environmental justice policies will have on the ability of this resource to operate for its entire life cycle.

The new assessment published by Strategen, written on behalf of Clean Energy Group (CEG), was an addendum to their [prior assessment](#), which investigated the viability of battery technology as a replacement for the oil and gas Peabody Peaker. This addendum explored the option of buying capacity from the market as an alternative to participating in the Peaker. Using the forecasted capacity prices that the Massachusetts Municipal Wholesale Electric Company included in their application to fund the project, Strategen found that, in both the short term and the long term, withdrawing from the project and buying energy on the open market would result in considerable savings. The analysis indicates that buying capacity on the spot market should be considered as a strong and economically viable near term solution until new projects powered by clean technologies become available.

“Withdrawing from the Peabody Peaker offers MLPs a rare opportunity to avoid all of the financial risks associated with this proposed fossil fuel plant *in addition to* the future air quality impacts to the adjacent community,” says Shelley Robbins, a project director at Clean Energy Group. “Strategen’s analysis has identified not one, but two options that are financially and environmentally preferable. This should be a clear signal that moving forward with this peaker plant is a risk these municipalities, the ratepayers, and the neighboring community cannot afford.”

“These reports demonstrate the risks associated with investing in this polluting power plant that will harm 8 environmental justice communities in Peabody, Danvers, and Salem. Once again, the viability of cleaner, cheaper options is very clear and compelling,” says MCAN’s Executive Director, Sarah Dooling. “MCAN stands in solidarity with community advocates across the state in asking Secretary Theoharides to re-open the formal environmental review process. This entire project has been cloaked in obscurity. It is time for the State to do its job and conduct a transparent and comprehensive review of the environmental and health impacts this dirty plant will create.”

###

**Media Contact:**

Sarah Dooling, Executive Director  
Massachusetts Climate Action Network  
Phone: 206-293-3327  
[sarah@massclimateaction.net](mailto:sarah@massclimateaction.net)

Samantha Donalds  
Communications Coordinator  
Clean Energy Group  
Phone: 508-654-5813  
[sam@cleanegroup.org](mailto:sam@cleanegroup.org)

Todd Zeranski  
Director, Strategic Engagement and Marketing Strategen  
Phone: 917-670-6568  
[tzeranski@strategen.com](mailto:tzeranski@strategen.com)

Bryndis Woods, PhD  
Senior Researcher  
Phone: 781-999-5751  
[bryndis.woods@aeclinic.org](mailto:bryndis.woods@aeclinic.org)

The Applied Economics Clinic (AEC) is a mission-based, non-profit consulting group offering low- and no-cost expert services from seasoned professionals while providing on-the-job training to the next generation of technical experts. Founded in 2017 and based in Arlington, Massachusetts, AEC makes its expertise available to public service organizations working on topics related to the environment, consumer rights, the energy sector, and community equity. For more information on AEC's work see: [www.aeclinic.org](http://www.aeclinic.org).

Strategen advises and empowers leading organizations — utilities, government agencies, NGOs, and industry clients — to design innovative, practical solutions that capture the promise of a clean energy future, strengthen resilience and adaptability, and are equitable, collaborative, and impactful. Headquartered in Northern California, and with offices across the western U.S. and in Australia, Strategen's mission-driven experts leverage a global perspective and market-leading capabilities to deliver novel, high-impact, stakeholder-aligned approaches across the policy, regulatory, and market design spheres that sustainably accelerate the deployment of low-carbon energy systems. [www.strategen.com](http://www.strategen.com)

Clean Energy Group (CEG) is a leading national nonprofit advocacy organization focused on accelerating an equitable and inclusive transition to a resilient, sustainable, clean energy future. CEG works at the forefront of energy innovation to address the urgency of the climate crisis while strengthening historically marginalized communities through enabling greater access to and ownership of clean energy technologies. Founded in 1998, CEG has been a thought leader on effective climate and clean energy strategies for more than two decades, filling a critical resource gap by advancing disruptive energy initiatives and serving as a trusted source of technical expertise and independent analysis in support of communities, nonprofit advocates, and government leaders working on the frontlines of climate change. [www.cleanegroup.org](http://www.cleanegroup.org)