



HINGHAM MUNICIPAL LIGHTING PLANT

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Laura M. Burns, Chairman
Michael Reive, Vice-Chair
Tyler Herrald, Secretary

REGULAR MEETING
HINGHAM MUNICIPAL LIGHT BOARD
November 18, 2025

A regular meeting of the Board of Commissioners of the Hingham Municipal Light Plant (HMLP) was called to order by the Board's Chair, Laura Burns, at 4:00 pm on Tuesday, November 18, 2025, via Zoom.

Present:

Board Members: Laura Burns, Chair
Michael Reive, Vice-Chair
Tyler Herrald, Secretary

HMLP:

Thomas Morahan, General Manager
Mark Fahey, Assistant General Manager
Joan Griffin, Business Manager
Ken Stambler, Senior Dir. of Energy Procurement (ENE)
Laurie Heffron, Energy Procurement Manager (ENE)
Brianna Bennett, Sustainability Coordinator

Meeting Called to Order

Ms. Burns read the following disclaimer into the record: *This meeting is being held remotely as an alternative means of public access pursuant to Chapter 2 of the Act of 2025 and all other applicable laws temporarily amending certain provisions of the Open Meeting Law. You're hereby advised that this meeting and all communications during this meeting may be recorded by the Town of Hingham in accordance with the Open Meeting Law. If any participant wishes to record this meeting, please notify the chair at the start of the meeting in accordance with M.G.L. c. 30A, § 20(f) so that the chair may inform all other participants of said recording.*

Ms. Burns asked if anyone other than HMLP wished to record the meeting. No one responded affirmatively.

Energy Road Map Presentation - ENE

The Board welcomed representatives from Energy New England (ENE), including Senior Director of Energy Procurement, Ken Stambler, and Energy Procurement Manager, Laurie Heffron, for an in-depth Energy Roadmap review. ENE thanked the Board and explained that the presentation would update Hingham Municipal Lighting Plant's (HMLP) project portfolio, hedge positions, market dynamics, REC outlook, greenhouse-gas compliance standing, and long-term power supply planning. The consultants noted that HMLP remains in a strong position due to early, proactive contracting, which continues to shield ratepayers from unfavorable market conditions.

ENE began by summarizing several project updates finalized since the last meeting. The long-term Brookfield and Brunswick hydro contracts were completed for 2026–2045, as was the First Light Cabot/Turners “Blend and Extend” was finalized. Gravel Pit III became operational in February, providing fixed-price supply through 2050. Granite Wind was secured as a replacement for Chariot Solar, extending supply through 2041 at fixed pricing. The Worumbo Hydro extension was also finalized at \$101.33/MWh (includes RECs), adding two years of supply and providing time for ENE and participating municipalities to evaluate congestion impacts from the new Maine transmission line. In November 2027, HMLP will be in a better position to evaluate whether to continue with the project, depending on pricing and market conditions at that time.

Ms. Heffron next addressed current market conditions, noting significant cost escalation for new renewable projects. Recent proposals arrived at as much as \$20/MWh above what ENE considers fair market value for combined energy and environmental attributes, with developers frequently seeking an additional \$10–\$20/MWh premium on top of that. A recent solar proposal priced at \$118/MWh illustrated the trend compared with typical expectations in the \$95–\$105/MWh range. Cost drivers include persistent supply-chain disruptions, rising labor and land costs, modifications to the Investment Tax Credit, and particularly high financing costs. Project developers now face interest rates of 8 to 9% on roughly 70% of project investment, substantially increasing the cost per MWh. ENE emphasized that these pricing pressures stem less from political hedging and more from developers' need to meet return on investment targets amid expensive capital, uncertainty around interconnection studies, and higher ISO-driven project costs and risks.

Mr. Reive asked whether developers are pulling back or becoming more cautious. ENE responded that although supply-chain and financing pressure remain elevated, developers are continuously seeking alternative buyers, often turning to large corporations, data centers, and municipalities willing to pay way above-market prices just to say they are “green”. Municipal light plants, however, are in a comparatively advantageous position due to their existing renewable portfolios and lack of immediate pressure to procure expensive near-term projects. HMLP, in particular, is well ahead of its 2030 obligation and does not need to enter high-priced Power Purchasing Agreements (PPAs). The market overall has shifted into an uneconomic period to procure renewable energy, with project costs diverging sharply from the forward curve, making selective procurement essential.

ENE then provided a detailed overview of natural gas and wholesale power market trends. U.S. storage remains above five-year averages, but increasing exports are expected to double by 2028 and continue to exert upward pressure on domestic prices. Despite periods of mild weather, volatility persists, and the EIA (U.S. Energy Information Administration) projects further price increases into 2024–2025 due to global increase in demand and the number of exports and reduced European renewable output. Forward curves for both the Central Hub and Algonquin are currently trending at the high end of 30-day and 365-day ranges. Power prices closely follow this trend, with 2026 forward pricing sitting near multi-month highs. Winter electricity prices also rose sharply: the SEMA real-time LMP averaged \$116.01/MWh in winter 2024–2025 versus \$46 the prior year, with peak periods reaching \$352 and the number of high-priced hours increasing more than tenfold. Forecasts for winter 2025–2026 reflect the same pressures, with the MassHub forward curve rising from \$104 to \$119/MWh. Conflicting weather forecasts from NOAA, the Farmers' Almanac, and La Niña-related uncertainty complicate the outlook.

Regarding portfolio performance, ENE reviewed the five-year load and hedge summary, showing that HMLP remains over 90% hedged in most upcoming winter seasons. Although slight increases in load forecasts—approximately 3% in winter and 1% annually—made the portfolio appear marginally less hedged than in prior years, the difference is attributable to forecast adjustments rather than reduced coverage. ENE also secured a favorable Shell hedge at \$64.95/MWh for open summer 2025 and part of 2026, a key move given ongoing summer price escalation. Current positions for 2026–2027 remain purposefully partially open to maintain strategic flexibility should market prices decline. ENE will also provide the Board with a fuel-type breakdown through 2050, showing contributions from nuclear, hydro, solar, and wind, and demonstrating the portfolio's nearly fully non-emitting status.

Ms. Heffron explained that a seasonal performance review highlighted that despite unusually high winter prices, the open portion of the portfolio remained well-managed, representing about 20% of load at an average of \$133/MWh. The portfolio remains robust, with long-term hedges and non-emitting resources providing substantial cost protection.

Mr. Stambler then presented an updated greenhouse-gas compliance (GHG) assessment. The portfolio's non-emitting contributions, nuclear, hydro, solar, and wind, enable Hingham to meet 100% of state GHC standards through 2039 without load growth and remain compliant even with expected load increases. By 2040, non-emitting contributions reach roughly 73–74%, slightly under the expected 75% requirement, leaving ample time to secure new resources or adjust as new technologies come out, and new types of clean energy projects. There is also the possibility that the state could change its policies, recognizing that pushing from 75% to 100% compliance may not be necessary, since the cost of achieving that last 25% is extraordinarily high and could have a damaging impact on the economy. The projections reflect only currently contracted resources. Nuclear assets, in particular, provide strong stability; Hingham holds entitlements in both Seabrook and Millstone and participates in several NextEra-backed PPAs extending into the 2030s and 2040s. These contracts deliver both power and environmental attributes, and include provisions requiring replacement of any shortfall in emissions-free credits if output decreases.

ENE said that while additional wind development could occur under more favorable economic conditions, significant new hydro development appears unlikely, aside from potential imports enabled by existing transmission lines from Canada, such as the Clean Energy Connect Line

project. Opportunities for small modular nuclear reactors are viewed as long-term prospects, likely at least a decade away, with substantial permitting, financing, and siting challenges, particularly in New England.

ENE then reviewed REC markets. Massachusetts Class I RECs (solar, wind, landfill gas, some hydroelectric plants) continue trading near \$38–\$40/MWh, supported by the \$40 ACP (Alternative Compliance Payment) in Massachusetts and Connecticut. Maine Class II RECs, driven by hydro shortfalls and broader sustainability-driven demand, trade around \$6.50/MWh, above their \$5 ACP. This means that there is the demand for the Maine Class II RECs that has outstripped the supply and that demand is not necessarily coming from the requirements in Maine but from other market participants that are using the New England qualified RECs to meet their own internal goals. CES-E RECs, associated with large hydro and nuclear units such as Seabrook, Millstone, and Canadian hydro, are trading around \$9.50/MWh near their \$10 cap. Overall, REC markets remain tight, reflecting strong compliance demand and declining hydro output.

Ms. Heffron presented a long-term spreadsheet projecting load and hedging through 2050, showing how each resource phases out over time and how nuclear, hydro, and solar components support long-term carbon-free compliance. Wind resources phase out sooner due to limited new construction. The spreadsheet also incorporates behind-the-meter solar and demonstrates how short-term hedges complement long-term non-emitting contracts. Ms. Heffron said she would provide the Board with the contract pricing summary sheet that lists each contract by title, shows the applicable years, and indicates whether the pricing is fixed or variable, providing a clear, high-level overview of pricing across all contracts.

Finally, the Board discussed valuation approaches for new contracts. ENE reiterated that the green premium for non-emitting resources must align with the market value of associated RECs and should not exceed it. Solar valuations reflect seasonal generation profiles, producing primarily from April to September, and are discounted accordingly against the forward curve. Wind valuations incorporate hourly modeling reflecting strong winter production. ENE emphasized that long-term non-emitting resources generally cost more than market energy alone and must be justified carefully. Pumped storage options, such as First Light’s facility, continue to be evaluated but have not yet provided spreads sufficient to justify the premium costs.

Overall, the presentation confirmed that HMLP’s portfolio is well-positioned, cost-effective, and significantly ahead of state carbon requirements. ENE will continue to monitor market conditions, manage hedge strategies, and review new projects while maintaining the flexibility necessary to optimize long-term value for Hingham ratepayers.

Mr. Reive inquired about battery storage projects. In response, ENE explained that there is currently a battery installed behind the meter in Hingham; however, in-front-of-the-meter battery projects remain limited. The lack of development suggests that demand has not been strong enough to justify the significant capital and operating costs associated with these projects. While there are markets where battery storage can be viable, most notably under the Clean Peak Standard, municipal projects have not seen compelling pricing. To date, no in-front-of-the-meter battery proposals from developers have offered pricing that makes financial sense.

Most battery developers either approach Energy New England directly or contact individual municipalities, which then ask for assistance in reviewing proposals. While there is openness to considering additional battery storage, issuing an RFP at this time may be challenging due to market conditions. Financing remains a major factor, particularly uncertainty surrounding the Investment Tax Credit (ITC), as well as issues related to equipment sourcing, land availability, leasing arrangements, and site readiness. Many developers are currently waiting to see how these factors resolve before moving forward.

Site availability is considered the most critical starting point. Developers often seek assistance in locating or aggregating sites, but Energy New England's role is to advocate for municipalities rather than developers. When municipalities bring forward proposals, they are thoroughly analyzed and negotiated on their behalf. If an RFP were to be issued, it would need to be supported by a clearly identified site and an understanding of any upfront costs the town might incur. With those elements defined, it could then make sense to solicit proposals focused on shared savings. For now, while some developers continue to pursue battery projects, the consensus is that having a clear site and direction would be essential before proceeding further, and the matter will continue to be evaluated.

The discussion concluded with Ms. Heffron affirming that using the battery behind the meter for peak shaving remains the most economically effective approach, while the wholesale and regulation markets present higher risks and lower reliability. The Board then thanked ENE for their insights and indicated they look forward to reviewing the details further offline.

Mr. Reive then asked how satisfied ENE is with the performance of the HMLP battery. ENE's view is that the results have been underwhelming. Operating the battery in the regulation market significantly degraded its performance, and while it is now running somewhat more smoothly, ongoing issues, particularly with communications, have limited its effectiveness. Coordination among multiple parties has made it difficult to determine whether problems stem from the battery itself or from communication failures. Although the battery was expected to produce approximately 6,000 megawatt-hours, actual output has been closer to 4,700–4,800 megawatt-hours. As a result, ENE has had to operate the battery in smaller blocks and adjust dispatch strategies simply to try to hit peak targets. ENE is not an advocate for placing lithium-ion batteries in wholesale or regulation markets, as frequent cycling accelerates the degradation of the battery unless the developer contractually commits to ongoing augmentation. Absent that, ENE believes the value proposition is weak. From ENE's perspective, the battery delivers far more value when operated behind the meter to shave capacity and transmission peaks, where the financial benefits are clearer and risks are lower. Participation in ISO capacity markets also carries significant penalty exposure for non-performance, which can quickly outweigh any potential upside. Overall, ENE sees behind-the-meter peak reduction as the most effective and economical use of this asset, with limited enthusiasm for broader market participation under current conditions.

The Board thanked ENE for their presentation and time.

Updates: Transmission Line Project, Capital Projects

Mr. Morahan reported that the transmission projects have been completed, including the insulated replacements, and the system has been returned to two lines. The project was deemed successfully completed. No additional updates were provided, and further discussion will continue at next month's meeting.

The following agenda items were not covered due to time constraints in today's meeting. The items will be discussed during next month's meeting.

Income Adjusted Rate Research – Brianna Bennett

PCA/Energy Charge Discussion

Approve Meeting Minutes

- a) Meeting Minutes 10/14/25

Financials:

- b) September 2025

Motion to Adjourn:

Mr. Reive - Aye

Mr. Herrald -Aye

Ms. Burns - Aye

Meeting adjourned at approximately 5:10 pm

