



HINGHAM MUNICIPAL LIGHTING PLANT

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General Manager
Paul G. Heanue
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John P. Ryan, Chairman
John A. Stoddard Jr., Vice Chairman
Roger Freeman, Secretary

Meeting Called to Order:

A regular meeting of the Board of Commissioners of the Hingham Municipal Light Plant (HMLP) was called to order at 0740 on Tuesday, December 6, 2016 at the Hingham Municipal Light Offices at 31 Bare Cove Park Drive, Hingham, Massachusetts.

Present: John P. Ryan - Chairman, John A. Stoddard, Jr. - Vice Chairman, Roger Freeman - Secretary, Paul G. Heanue - General Manager, Monica Herman & Laura Burns– attendees.

Approval of Meeting Minutes:

The meeting minutes from the March 11, September 27 and October 25, 2016 were presented for approval.

A motion was duly made, seconded and it was unanimously voted to approve the minutes of the March 11 and September 27, 2016 meeting with the changes the Secretary presented and the Board discussed.

The Secretary will forward his requested changes to the October 25th meeting to the General Manager and will be voted on at the next meeting.

Financials:

The General Manager distributed a handout displaying HMLP's financials. He pointed out that for the month of October net income was \$200K and year to date was \$3.87M. He also mentioned that the net income figures for October 2015 were \$334K for the month and year to date was \$4.01M. The variance between 2015 and 2016 was because we received over a million dollars of SREQs in 2015.

October's 2016 sales were 1.4M kWh less than last year and year to date were 11M kWh less. This reflects a combination of energy efficiencies and a warmer winter/cooler summer.

The Chairman requested that the General Manager provide a recommendation on the PCA after all the figures have been compiled. The General Manager said he would but added the consultant who had been working on the net metering policy would, now that the Board had come to an agreement on that, resume working on the cost of service study.

New Building Updates:

The General Manager mentioned the only remaining issue with the new building is humidity control for the shoulder seasons. He described having hired a commissioning agent to make sure the system was set up and operating properly. There were and are problems but he is working with all parties to make sure the issues are corrected. There are still outstanding landscaping issues but resolution of them will have to wait until well into the next growing season.

Automatic Meter Reading:

The General Manager said there are approximately 100 meters that remain to be replaced and they are in the process of making appointments with these customers.

LED Streetlights:

The General Manager notified the Board that the DOER Grant was approved. One will be chosen for installation after sampling the various types of LED lighting.

Net Metering Rate Study and Policy:

A report on net metering from the Energy New England consultant was submitted and he summarized his findings from his work this past year. His research looked at the benefits and costs associated with customers that own a solar facility at their home or business. This report outlines the financial benefits received by those customers and HMLP. The analysis considered varying factors including size of system installed, capacity of the system, the excess energy rate, the distribution charge, amount of time to payback the system, etc. This report was submitted and it outlined what was discussed and tentatively approved at the last Board meeting. A motion was duly made, seconded and it was unanimously voted to adopt the new Net Metering Policy * with the change that the Secretary recommended. The General Manager said he would get the new policy onto the HMLP web site.

Purchase of Additional ENE Shares:

The General Manager presented a letter from Energy New England outlining a change in the percentages of ownership of ENE and that ENE was offering HMLP and the owners the opportunity to purchase an additional 5% shares in the company at a reduced price. Braintree and Taunton had already voted to purchase the additional 5%, Concord had not met yet but they were expected to vote to purchase and Wellesley had declined this offer. The Board discussed the pros and cons of this purchase and the General Manager recommended the Board accept this offer. A motion was duly made, seconded and it was unanimously voted to purchase the additional 5% of stock that was offered by ENE per the terms described in their offering letter.

Solar/ SRECS:

The General Manager described his having contacted the folks from Whole Foods he had been working with and notified them of the expected changes in the net metering policy. He wanted them to know about the change as it might be possible this change and the potential rework of SREQs by the state may impact their finances. They indicated because of the size of the array it is unlikely Whole Foods would be sending much electricity back to HMLP so our new policy would not mean much to them. The General Manager relayed that Whole Foods had reported an electrical permit would be applied for immediately. He also notified Notre Dame Academy and their developer of the same. After a series of emails back and forth HMLP was told Notre Dame had decided not to proceed with the solar project. Discussions are still proceeding with the MBTA over installing solar canopies at their Fort Hill Street lot.

There was a general discussion over the next items of priority for the lighting plant. A solar array at the Town's landfill, high speed fiber optic options in Town and a desire to have a discussion over the intricacies of our ownership interest in Braintree Municipal Light's Watson plant were mentioned.

Motion to Adjourn the Regular Meeting

On a motion duly made and seconded it was unanimously voted to adjourn the meeting at 9:15.

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Hingham Municipal Light Plant

Net Metering Policy

SUMMARY:

This policy, and the terms and conditions contained therein, apply to renewable generation facilities (Facility) including solar, wind and biomass located on the customer's premises, *i.e.*, the same place at which the customer receives electric service from Hingham Municipal Lighting Plant (HMLP), where such facilities are owned or leased by the customer and used solely for the purpose of the customer's own consumption.

The output of a Facility may be used internally by the customer owning the Facility but the energy may not be distributed to any other user located in HMLP's service territory. Any third party is strictly prohibited from distributing or selling electricity to anyone in HMLP's service territory.

The availability of net metering to a customer that owns or leases a Facility is subject to the terms and conditions of this policy, as well as HMLP's General Terms and Conditions, as may be in effect from time to time. In its sole discretion, HMLP may limit the cumulative generating capacity of all Facilities in its service territory and may change the terms and conditions of this policy or terminate this policy at any time.

PRICING FOR EXCESS ENERGY:

The following describes the basis of the price that HMLP will pay to a customer owning a Facility that sends energy into HMLP's distribution system from time to time. In the event the Facility produces more energy than is required by the customer and sends energy to HMLP's distribution facility (Excess Energy), then HMLP will purchase that Excess Energy ("Excess Energy Purchase Price") under this "net metering" policy as follows:

- The Excess Energy Purchase Price for Facilities with a total capacity of 15 kW or less is the average unit cost (\$/kWh) of HMLP's total power supply, which is the total cost of HMLP's power supply divided by the total amount of kWh received from those resources.
- The Excess Energy Purchase Price for Facilities with a total capacity greater than 15 kW will be the average unit cost (\$/kWh) of HMLP renewable power supply resources, which is the total cost of HMLP renewable power resources minus the value of any Renewable Energy Certificates or Solar Renewable Energy Certificates received by HMLP divided by the total amount of kWh received from those renewable resources.

HMLP will recalculate the Excess Energy Purchase Prices described above annually and they will be applicable to all Excess Energy purchased by HMLP.

The payment to customers for Excess Energy from their Facilities will be in the form of a credit on the HMLP monthly electric bill in the month following HMLP's recording of the Excess Energy.

The amount of the credit for Excess Energy due to a customer is calculated as follows:

Monthly Excess Energy (kWh) produced by the Facility x HMLP's Excess Energy Purchase Rate(\$/kWh)
= total credit due customer.

METERING REQUIREMENTS:

All Facilities must be equipped with a separate revenue quality meter provided by HMLP in order to accurately meter the kWh output of the Facility. The metering scheme required for the Facilities is outlined in HMLP's Interconnection Standards available on HMLP's website or at HMLP's offices, the costs of which are borne solely by the customer.

HMLP's metering requirements may change from time to time.

INTERCONNECTION TERMS AND CONDITIONS:

HMLP has developed Interconnection Standards for the interconnection of a Facility to HMLP's distribution system. HMLP's Interconnection Standards must be strictly adhered to by the customer responsible for installing the Facility. It may be necessary for HMLP to perform, or cause to be

performed, system studies to determine the effects of the Facility being interconnected to HMLP's distribution system. The cost of the required system studies will be the responsibility of the customer installing the system and that cost will be paid in full by the customer prior to the system becomes operational. The Customer shall be responsible for paying HMLP for any upgrades to HMLP's system required by the interconnection of the Facility to HMLP's system.

HMLP will conduct an on-site inspection of the Facility's interconnection and will provide a written authorization that the customer can proceed with the operation of the Facility.

HMLP shall own and install all electric facilities on its side of the meter. If electric facilities are required to be built or reconfigured on HMLP's distribution system solely for interconnection of the Facility to HMLP's distribution system; the cost of these electric facilities shall be borne solely by the customer installing the Facility.

A preliminary estimate of HMLP's cost of electric facilities required for interconnection of the Facility shall be sent to the customer installing the Facility one month prior to construction of the electric facilities. The customer shall pay the amount of the estimate prior to HMLP performing any interconnection work. Once the interconnection work is complete HMLP will true up the difference between the cost estimate and the actual interconnection cost incurred by HMLP.

Parallel operation of the Facility (interconnection with HMLP's distribution system) must cease immediately and automatically during system outages and other emergency or abnormal conditions specified by the HMLP. The Facility must cease parallel operation upon notification by the HMLP if such operation is determined to be unsafe, interferes with the supply of service to others or interferes with system operation or maintenance.

The HMLP may disconnect the Facility from its system at any time that the HMLP determines, in its sole discretion, that the safety and reliability of its system may be compromised by the operation of the Facility. In the event that the Facility damages HMLP's system, the customer shall be solely responsible for all costs associated with the repair and/or replacement of the damaged portion of the Lighting Plant's system and/or equipment.

HMLP shall not be liable to the customer or any other person for any loss, injury, damage, casualty, fees or penalties, asserted on the basis of any theory, arising from, related to or caused by the construction, installation, operation, maintenance or repair of the Facility, and associated equipment and wiring, except to the extent of its own gross negligence or willful misconduct, but only to the extent permitted by law. Neither by inspection nor non-rejection nor in any other way does the HMLP give any warranty, expressed or implied as to the adequacy, safety or other characteristics of any equipment, wiring or devices, installed on the customer's premises, including the Facility.

The customer shall indemnify and hold harmless HMLP, its Board members, managers, employees, agents, consultants, attorneys and assigns from and against any and all losses, claims, damages, costs, demands, fines, judgments, penalties, payments and liabilities, together with any costs and expenses (including attorneys' fees) incurred in connection with, resulting from, relating to or arising out of the construction, installation, operation, maintenance and repair of the Facility, including the customer's failure to comply with the HMLP's Terms and Conditions or any abnormality or failure in the operation of the Facility, or any adverse impact to the HMLP's system or its other customers. The customer shall maintain sufficient insurance to cover any damage to HMLP's system caused by the construction, operation, maintenance and repair the Facility and shall name the Lighting Plant as additional insured. The customer shall provide HMLP with proof of satisfactory insurance upon request.

TERMINATION:

Failure of the Facility to comply with any of the requirements set forth in this policy may result in disconnection of the Facility from HMLP's system without notice. The Facility is also subject to HMLP's Terms and Conditions, in effect from time to time and where not inconsistent with any specific provisions above.

The customer may cease receiving net metering credits under this policy by providing written notice to HMLP. HMLP reserves the right to discontinue paying credits for Excess Energy at any time, in its sole discretion, upon thirty (30) days' notice to the customer.

In the event that a transfer of ownership of the renewable distributed generation facility to a new customer occurs, the customer must notify the HMLP in writing thirty (30) days in advance of the transfer date.

Effective Date: January 1, 2017