



HINGHAM MUNICIPAL LIGHTING PLANT

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John P. Ryan, Chairman
John A. Stoddard Jr., Vice-Chairman
Roger M. Freeman, Secretary

REGULAR MEETING
HINGHAM MUNICIPAL LIGHT BOARD
December 12th, 2019
7:30 A.M. – HMLP offices
Meeting Minutes

Meeting Called to Order:

A regular meeting of the Board of Commissioners of the Hingham Municipal Light Plant (HMLP) was called to order at 0733 on Thursday, December 12, 2019 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 M. Freeman, Secretary; Paul Heanue, General Manager (GM); Tom Morahan, Assistant General Manager (Assistant GM); guests Michael Reive and Laura Burns, Hingham resident, former Selectman and current Senior Intern to Representative Joan Meschino.

Approval of Previous Meeting Minutes:

The GM presented the meeting minutes for the October 18, 2019 meeting to the Board for their consideration.

MOTION

A motion was duly made by the Vice-Chairman to accept the minutes of the October 18, 2019 meeting.

Executive Session:

At 0736 on a motion duly made by the Secretary and seconded by the Vice-Chairman it was unanimously voted to move to Executive Session.

At 0746 on a motion duly made by the Secretary and seconded by the Vice-Chairman it was unanimously voted to come out of Executive Session.

The Secretary seconded and they unanimously voted to approve the minutes of the October 18, 2019 meeting.

Financials:

The GM presented the Board with financial statistics for October 2019.

- kWh sold in October 2019: 14.1m kWh was lower than both October 2018: 14.2m kWh and October 2017: 16.2m kWh.
- Revenue for October 2019 was \$2.4m, October 2018 and 2017 were \$2.2m.
- Expenses for October 2019 was \$2.1m and October 2018 was \$2.7m and October 2017 was \$1.8m.
- Net income for October 2019 was \$231k, October 2018 was \$(437k) and October 2017 was \$307k.
- YTD kWh sales for October 2019 was 162.7m kWh, for 2018 was 171.6m kWh and 2017 was 166.9kWh.
- Revenue YTD October 2019 was \$26.3m, \$24.3m for 2018 and \$23.8m for 2017.
- Expenses YTD October 2019 were \$23.6m, \$24.2m for 2018 and \$19.6m for 2017.
- Net Income YTD for October 2019 was \$2.7m, for 2018 was \$95k and for 2017 was \$4.2m.

Hingham Net Zero

The Energy Action Committee is expected to appear before the Board of Selectmen in early January to discuss their submitting a Warrant article for the 2020 Town Meeting, re. the Town of Hingham, including Town operations/residences/businesses, becoming a net zero producer of carbon. If the Article, as currently designed, passes there will certainly be an increase in electric load. On December 11th the GM signed a contract with the consulting company Analysis Group to look at how much HMLP's load might increase under various scenarios of Hingham Net Zero. The GM expects to receive the report from the Analysis Group by the end of January 2020. In connection with the Hingham Net Zero effort a new transmission supply source and sub-station is expected to become necessary. Eversource has agreed to conduct an engineering study to see what, if anything, they will need to do to provide Hingham with another transmission line.

HMLP role in water company operation

The Town of Hingham voted at the April Town Meeting to buy the Aquarion/Eversource water company. Initially there was "talk" that HMLP would manage it. That "talk", there were never official discussions between the Board of Selectman and HMLP, started to change and rumor was having it that HMLP would just perform the customer service functions for the new Town owned water company. In August a meeting including HMLP (GM, Business Manager and Customer Service Supervisor), Town officials (Town Treasurer/Collector and Assistant Town Treasurer/Collector and a consultant (the former Town Manager from Franklin MA) was held. HMLP's current customer service practices and work methods were discussed. At no point at the meeting was there talk about HMLP being the customer service provider for the newly acquired Town water company. In October the GM received a call from the Assistant Town Administrator who stated that a Request for Proposals (RFP) was "on the street" and bids were due mid-November. The GM told her that HMLP would not be submitting a bid in a couple weeks as he had not been told he would need to, offer a bid, and HMLP was not prepared to do so. Further the GM added he couldn't prepare a bid because he had not been told what HMLP's role would be (i.e. running the entire water company operation or just handling customer service). A few weeks later the GM was informed by the Assistant Town Administrator that there is legislation pending (as of the this Board meeting the proposed bill had still not been passed by the MA Legislature) that would allow HMLP to perform duties for the Town owned water company and that only the customer service functions of the water company might be performed by HMLP. Currently the only way a light plant could perform other services for a Town would be if the matter was approved at a Town Meeting and Special Legislation enacted enabling it. The GM spoke to a consulting company, CDM Smith (Camp Dresser & McKee Smith), about what HMLP would need to do (hire additional staff, purchase equipment, etc) and know (number of customers, number of meters, etc.) to be in a position to possibly perform the customer service function for the new Town owned water company. Neither they or any other firm have not been hired yet because there is the question of who will pay for their research. Ch. 164 has been interpreted to say that light department monies can only be spent to benefit light department customers. The GM has asked its counsel to contact Hingham's Town Counsel to see if HMLP can pay for it upfront with the understanding it will be reimbursed.

Updates:

Battery Storage: The primary goal of the battery storage project is to peak shave its load to reduce transmission and capacity payments. HMLP received twelve (12) bids for its battery storage project. HMLP is in the process of negotiating a contract with the bidder whose proposal was the most attractive. The vendor with whom we are speaking agreed to replace batteries during the term of the contract and its pricing is the best. Energy New England (ENE) will be responsible for the scheduling the dispatching of the unit. ENE has been in the battery dispatching business for approximately four (4) years.

Occupational Safety and Health Administration (OSHA): Beginning January 2019, government agencies were required to follow OSHA rules. HMLP brought in a consultant to review its current work practices. Most generally HMLP was found to be working safely and in overall compliance with OSHA rules. HMLP is currently working on implementing procedures required under OSHA that prior to this change we were not.

Renewable Energy Credits (RECs)

In November 2017, the Board voted to take the steps necessary to allow HMLP to be able to describe all of its supply as carbon-free. HMLP voted to retire Renewable Energy Credits (RECs) it "owns" and to buy

replacement RECs to cover the rest of its fossil fuel supply. In its 2017 action, the Board also voted to revisit this decision in 2019.

At the Board's direction, the GM requested ENE to look into financing projects that are creating renewable energy, instead of buying replacement RECs. The Secretary asked the GM to have ENE to also look into buying actual power from the same sources they were getting Class II RECs. The GM is awaiting the results of ENE's study.

Legislation, H. 2863 and H. 3893

In January 2019 the Municipal Electric Association of Massachusetts (MEAM) met and wrote a piece of proposed legislation H. 2863 (the "MLP bill") which would require municipal light plants (munis) to have to follow the same percentage requirements as Investor Owner Utilities (IOUs) (as related to carbon free supply) but be able to count existing carbon free supply contracts (including nuclear), continue to sell Renewable Energy Credits (RECs) they control and pay a fine if the required carbon free supply percentages were not met. At the September 5th HMLP Board meeting, the Board reviewed the MLP bill and Legislation, H 3893, a bill proposed by Joan Meschino and others (the "Meschino bill"), and agreed that they would prepare a letter to the drafters of both bills expressing their concerns regarding the bills and asking for adjustments. The Secretary prepared the basis of a proposed letter to the drafters. The GM and Secretary plan to sit down to go through the Secretary's draft letter and revise to tailor to the Board's concerns and suggestions. The Board will then review.

Motion to Adjourn

On a motion duly made by the Vice-Chairman and seconded by the Secretary it was unanimously approved to adjourn the meeting at 0822.