



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 M. 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 0735 on Friday, February 8, 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; Paul Heanue, General Manager (GM); and Tom Morahan, Assistant General Manager (Assistant GM).

Approval of Previous Meeting Minutes:

The GM presented the meeting minutes for the November 1, 2018 meeting to the Board for their consideration.

MOTION

A motion was duly made by the Vice Chairman to accept the minutes of the November 1, 2018 meeting. The Chairman seconded and they unanimously voted to approve the minutes of the November 1, 2018 meeting.

Board Votes:

The GM described votes needing to take place that would, if the Board so desired, reappoint the GM as a Class B Director of the Energy New England, LLC Board of Directors for a term of three years having begun on March 27, 2018 and to reappoint Raymond Saleeby, Thomas Whitney and Christian Scorzoni as Outside Directors of the Energy New England, LLC Board of Directors.

MOTION

A motion was duly made by the Chairman that pursuant to Section 3.2 of the Operating Agreement of the Energy New England, LLC, the Board would reappoint the GM as a Class B Director of the Energy New England, LLC Board of Directors for a term of three years having begun on March 27, 2018.

The Vice Chairman seconded and they unanimously voted to reappoint the GM as a Class B Director of the Energy New England, LLC Board of Directors for a term of three years having begun on March 27, 2018.

MOTION

A motion was duly made by the Vice Chairman that pursuant to Section 3 of the Operating Agreement of the Energy New England, LLC, the Board would reappoint Raymond Saleeby, Thomas Whitney and Christian Scorzoni as Outside Directors of the Energy New England, LLC Board of Directors.

The Chairman seconded and they unanimously voted to reappoint Raymond Saleeby, Thomas Whitney and Christian Scorzoni as Outside Directors of the Energy New England, LLC Board of Directors.

Financials:

The GM presented the Board with financial statistics for November and December 2018.

kWh sold in November 2018 were higher than November 2017 and November 2016. Revenue for November 2018 was \$2.4M, November 2017 was \$2M and November 2016 was \$2.2M. Net income for November 2018 was (\$173k), November 2017 was (\$168k) and November 2016 was \$311k. Net income YTD November was (\$121k). This negative number is a reflection of getting a late start on adjusting for the increases in capacity and transmission prices.

The December 2018 financials reflect the numbers we have to date and excludes December accruals. kWh sold in December 2018 was higher than December 2017 and December 2016. Revenue for December 2018 was \$2.4M, December 2017 was \$2M and December 2016 was \$2.2M. Net income for December 2018 was (\$23k), December 2017 was (\$939k) and December 2016 was (\$238k). Net income YTD December is (\$145k). The GM pointed out the Stranded Cost Account has approximately \$6.6m through December 2018.

The Assistant GM presented the 2019 Operating Budget spreadsheet prepared by the Assistant GM and Energy New England. At this point the spreadsheet consists of the budgeted revenue and sales and budgeted expenses based on last year's known data and projections.

MOTION

A motion was duly made by the Vice Chairman to change the per kWh charge for energy from \$0.032 to \$0.04 cents and to change the power cost adjustment from \$.0225 to \$0.025 cents. The Chairman seconded and they unanimously voted to change the charge for energy to \$0.04 cents per kWh for energy and \$0.025 cents for power cost adjustment .

MOTION

A motion was duly made by the Chairman to transfer from the stranded cost account to the operating account an amount equal to the projected shortfall (to be determined) plus an additional \$150k. The Vice Chairman seconded and they unanimously voted to transfer from the stranded cost account to the operating account an amount equal to the projected shortfall (to be determined) plus an additional \$150k.

Updates:

fiber study:

The GM reported we will need to, sooner than later, have the capability talk to its meters 24/7. To do that we will need to have a fiber network in place. Coincidentally, timing wise, the Town was notified the fiber network which connects all Town facilities that was installed by Comcast when they were awarded a license to operate in Hingham is being abandoned by them. Comcast no longer intends to do provide this service, even for a charge. The Town will also have a need for a fiber network so all its buildings can remain connected. HMLP engaged consultants, CTC, to approximate the cost would be for HMLP to run and operate a fiber network itself and the cost to do the same for the Town as well. The final DRAFT should be ready to be discussed very soon.

additional transmission supply line/s:

The GM described recently having met with Eversource to discuss the possibility of sharing costs to upgrade transmission lines which could provide another supply into Town. He was informed that there is no such anticipated work of that nature currently planned. Similarly NGrid does not have any work scheduled that could meet that same need. HMLP's consultants are looking at options to tap into existing Eversource's lines which could create a new supply, underground, into Hingham. The cost of which is

currently estimated to be approximately \$20m. It would cost approximately that much just to upgrade NGrid's transmission infrastructure that could then be tapped off of to run a new line into Hingham.

battery storage:

The GM recently met with the chief operations officer of ENGIE regarding a battery storage system for HMLP. ENGIE is an international company who has installed utility sized storage around the world and as close as Holyoke. ENGIE would own the installation and HMLP would pay ENGIE a percentage on how much money HMLP saves on capacity and transmission charges. Genbright, a Hingham company, is going to partner with ENGIE to operate the batteries for frequency regulation. HMLP hired Fractal, who specializes in customers considering battery storage, to analyze the ENGIE proposal and assist in negotiating reasonable terms with ENGIE. To date, ENGIE has come down 11% from their initial price to HMLP. ENGIE is currently working on another proposal/s to reduce costs even further.

landfill:

There has been and still is a PCB collection at the landfill. While it is not close to our proposed solar array or supporting infrastructure it is on the landfill's footprint. The Town never got their final closure permit because of that issue. The GM has been told that the DEP has assured Omni-Navitas that the Town's lack of closure will not hold up HMLP's project but they continue to talk about it and have not yet issued a permit to Omni.

personnel:

HMLP hired Jeff Jones, a former HMLP employee, as the replacement for Gus Bregnard, Line Division Supervisor, upon his retirement. The GM has been interviewing candidates to replace Tom Orłowski, Line Division Manager. The GM has narrowed the search down to two (2) candidates.

Motion to Adjourn

On a motion duly made by the Vice Chairman and seconded by the Chairman it was unanimously approved to adjourn the meeting at 0823.