

**REGULAR MEETING  
HINGHAM MUNICIPAL LIGHT BOARD  
July 27<sup>th</sup>, 2021**

Zoom Meeting

<https://us02web.zoom.us/rec/share/tr4OSkn6wOT5MmpgHhJtJ9dDXWbhfDzcgdvsBbV9IE6cyFI0UnrkEnuIjLm7UEm.iMZrmdfugS0ELq5F?startTime=1627384976000>

**Meeting Called to Order**

A regular meeting of the Board of Commissioners of the Hingham Municipal Light Plant (HMLP) was called to order at approximately 0731 on Tuesday, July 27, 2021, via Zoom.

**Present:**

John P. Ryan, Chairman  
Roger M. Freeman, Vice-Chairman  
Laura Burns, Secretary  
Tom Morahan, General Manager  
Steve Girardi, HMLP  
Members of the Public

**Approval of Previous Meeting Minutes**

Mr. Ryan opened the meeting with a review of the minutes of meeting on June 27, 2021. Ms. Burns requested two amendments.

**Motion:** Mr. Ryan moved to accept the minutes of the June 27, 2021 meeting, with the two amendments suggested by Ms. Burns. The minutes were unanimously approved with said amendments.

**HMLP Assistant General Manager**

Mr. Ryan opened this discussion. Mr. Morahan advised that he has identified a new hire at HMLP for the position of Assistant General Manager. He is an electrical engineer with an MBA and over 30 years of experience in utility and engineering, including with National Grid. He will be managing the day-to-day field operations at HMLP starting mid-August. He will be on board for the next Board Meeting.

Mr. Ryan noted that it is Mr. Morahan's prerogative to hire an Assistant General Manager. He further noted that he is encouraging Mr. Morahan to consider an additional HMLP position to assist and encourage 2050 goals of no carbon. Ms. Burns pointed out that this position is on the Agenda as Item 9.

### **Abode Residential HVAC Heat Pump**

Mr. Ryan opened the discussion. Mr. Morahan advised that HMLP meets with Abode on a weekly basis. The program will be rolled-out mid-August. There will be a press release. HMLP will advertise the program and will reach out to Hingham Net Zero.

Mr. Freeman asked for information about the heat pump incentives being offered. Mr. Morahan indicated that incentives range from \$500-\$2000, with an extra \$250 in some cases. Incentives are similar to those offered in other Towns. Mr. Freeman also asked whether there has been any economic analysis with regard to heat pump incentives, heat pump size levels and homeowner benefits. Mr. Morahan noted that this has not been done, but that HMLP can work with Abode to do so.

Mr. Ryan noted various concerns about number of installs and potential impacts to the system with heat pumps and back-up. There is a need to understand this and tailor the system to track it. Ms. Burns agreed, noting that HMLP can track this and will have data. Mr. Morahan added that HMLP will track heat pump installations and will look at loading on transformers to provide adequate transformation at the various locations.

### **Solar Rebate Program Status**

Mr. Ryan asked Mr. Morahan to discuss the solar rebate program. Mr. Morahan noted that HMLP was providing 60 cents per watt up to \$6000 and that the State was doing the same. The State ended its portion of the program on June 30, 2021. Five Hingham customers did not get a reservation. HMLP will continue offering its 60 cents rebate, up to \$6000.

Ms. Burns raised questions regarding the amount of rebate. Mr. Girardi of HMLP clarified that the prior combined rebate was \$1.20 per watt, capped at 10 kW -- 60 cents from HMLP and a 60 cent State-match from DOER, up to \$12,000 total eligible. He added that the State program ran out of money and customers were rejected due to lack of funding. Ms. Burns added that there is no money for the program in the State budget.

Mr. Ryan asked about new solar installations. Mr. Girardi stated that there were 9 new installs and 6 applications filed in late June. Mr. Ryan also asked how many kW are installed in Town at residential homes. Mr. Girardi stated that the number is around 1400 kW.

### **Solar Credit Calculation**

Mr. Morahan provided an overview of solar credits. For <15kW, the credit for 2020 was a little over 9 cents per kWh. For 2021, the credit is about 9 cents per kWh. For >15kW, the credit went up a little bit, from 6.66 cents to 6.78 cents.

Ms. Burns asked for an explanation as to how the credit is calculated. Mr. Morahan stated that for <15kW, the credit is calculated by dividing the annual cost of HTMP's transmission energy by the

amount of kW. For >15kW, the credit is calculated using the annual cost of power and energy of HMLP's renewable power suppliers.

Ms. Burns noted that cost of renewable energy may be cheaper than average, but that this was a separate discussion. Mr. Morahan stated that the 6 cents credit includes transmission cost. Specifically, for >15kW, it is the unit cost of capacity and energy of HMLP's renewal power suppliers and HMLP's average unit transmission cost minus the REC revenue. Mr. Freeman stated that historic legacy contracts for renewable power may be skewing values downward and that he wants to revisit this. He thinks that people putting in solar, whether a business or residence, or whatever sized system, should receive credit for avoided costs. He asked that for this be a future agenda item, and that the compensation for larger systems be increased. Ms. Burns agreed that it should be a future agenda item, noting the >15kW distinction used to make sense, but as people move to heat pumps it is possible that residential systems will be larger. There was further discussion about the matter. Mr. Ryan noted that it would be a future agenda item, as it is a good question.

### **Braintree; our investment in their plants**

Mr. Ryan noted that HMLP owns an interest in 2 power plants in Braintree. Years earlier, Mr. Bottiggi of Braintree gave a presentation to HMLP about this, and he understood that the larger plant would have a net cash benefit to HMLP in the near future. Mr. Ryan recently asked the GM to revisit the matter and provide an analysis from the beginning of the contract, so as to understand what was paid out and what benefits were received. The GM got information to him, but he is still not clear on it all. Knows that paying capital costs, maintenance, fuel, and that there are some benefits. Most of the time it does not run, and only runs when power is extremely expensive. Debt will be repaid in a few years. Of the two plants, one will be retired. Contract does not end until 2024.

The Board Members discussed their respective understandings of the various costs/benefits of the Braintree contract. Mr. Ryan requested that Mr. Morahan engage HMLP's accounting department to do a recap on Watson from the beginning. Ms. Burns agreed, adding that she would also like to know how often the plants run.

### **Solar canopy at 31 Bare Cove Rd using REC revenue**

Mr. Ryan opened this discussion. Mr. Morahan identified areas at 31 Bare Cove where a canopy might be placed: along the side of the HMLP building, up front of the building, and to the warehouse side of building.

Ms. Burns asked about a second battery pad location. Mr. Morahan said this could be looked at and suggested that a location by the water might be a possibility. Ms. Burns commented that there is a lot of land there and that this might be good.

Ms. Burns asked if batteries can be used for back-up. Mr. Morahan discussed that the car chargers at Carson Field might be backed up by the BESS at HMLP if the need ever arose. Ms. Burns further noted that Concord has electric buses and uses the batteries from these buses as backup.

This might also work in Hingham but will need a big vision for this. As Hingham moves forward with plans to cut emissions, HMLP will also need a plan. Mr. Ryan noted that this ties into next Agenda item.

### **Energy Efficiency/Sustainability/Communications Position**

Mr. Ryan opened this discussion, stating the need a position at HMLP to serve as liaison with the Town and energy-interested committees. Need a job description for this role. He envisions the role as being for someone with a technical background who can also be an Ambassador to the outside world and attend town meetings. Mr. Morahan stated he envisioned the person as also have a marketing role and to help with HMLP communications and its website.

Mr. Freeman commented that a successful candidate will need to have a deep background in energy management, renewable energy and electrification. There might be a need for two positions – one for communication and one for technical issues. There was discussion on this. Mr. Freeman clarified that the person did not need to conduct detailed engineering, and that having a masters in sustainability might work. Mr. Ryan agreed that the person would need to primarily be grounded in the mission of making things work. Mr. Morahan clarified that person would add content to HMLP’s website but not maintain it. Ms. Burns noted that the success of any HMLP program would largely be motivational, so will need someone who is good at that.

Mr. Ryan asked whether other Board Members knew if the Town has the right to mandate heat pumps in new construction. Ms. Burns said that 3 Towns in Massachusetts banned new gas hook-ups but met legal challenges. These Towns are seeking Special Legislation to allow this. There is also a Bill which allows Towns to have the option to do this. Ms. Burns submitted a personal letter in support of said Bill. Mr. Freeman voiced support for Ms. Burns’ letter. Ms. Burn offered to provide her letter to the Board for consideration. Mr. Ryan asked that Ms. Burns do this. He noted some concerns with a blanket ban.

### **Financials: 3 year summary and YTD; 2021 budget update**

Mr. Morahan noted that sales and revenue were down in May while expenses were flat. Net income was \$177,000. YTD sales were up for 2020, but down for 2019, due to the weather. Revenue YTD is \$12 million and expenses \$11 million. YTD net revenue is \$700,000. This is \$200,000 less than last year but higher than 2019. Depreciation increased in 2021. HMLP is putting money away for the transmission project. Depreciation Expense is \$1.3 million, YTD.

The Board Members discussed whether HMLP might borrow now for transmission project given low interest rates. Ms. Burns noted that HMLP needs approval from the Town to borrow, and that the Board will need to understand the project to stand behind HMLP on this. The Board and Mr. Morahan set a date of August 10<sup>th</sup> for HMLP to present the project to the Board. Mr. Morahan also hopes to meet with the Board of Selectmen in August and get the Memorandum of Understanding (MOU) signed. Ms. Burns asked for the MOU to be sent to the Board.

Mr. Morahan advised that HMLP is still waiting on audited financials.

**Updates: battery storage, additional transmission line and new substation, landfill, EV chargers, choice connect**

Mr. Ryan opened discussion and Mr. Morahan provided the following updates:

**Battery Storage.** An amendment to the contract is signed. Recent tests were successful. Will test again but things seem to be working out.

**Solar on landfill.** HMLP is still waiting on the post-closing permit. Permit expected soon.

**EV Chargers.** Submitted application to State for grants for 2 locations. Received one quote for DC fast chargers at \$300,000 and \$150,000 for level 2 chargers. Expect State grants to be \$50,000 for level 2 chargers and \$100,000 for level 3 fast chargers. Board Members commented that HMLP should try to bring costs down.

**Choice Connect.** The system up and running but is not at 100% yet as waiting on equipment.

**Website.** HMLP has one quote. Waiting for two more quotes before deciding.

**Camera for Conference Room.** The camera has been ordered and will be here within the month, so that meetings can then take place in conference room.

Ms. Burns asked that the Municipal Solar Array Project be on the agenda. She added that she is currently working on scheduling a meeting on this.

Mr. Ryan asked to close the discussion on updates. Ms. Burns commented that she would like the Mr. Morahan to provide information on Class 2 RECs purchased to cover the portfolio.

**Executive Session.**

Mr. Ryan stated that there was no need for Executive Session.

**Public Comment**

Mr. Ryan opened the public comment portion of the meeting.

John Borger identified himself as a resident and commented about air source heat pumps and problems with contractors. Ms. Burns responded that ABODE has a list of contractors and does a Q&A afterwards. Mr. Borger asked that future webinars on heat pumps include ABODE. Ms. Burns responded that she would make that happen.

Joanne Heilman identified herself as a resident and commented about solar incentives and the need to consider incentives for apartment dwellers and condo associations.

Michael Reives identified himself as a resident and commented that about new heat pump technology and incentives. He further noted that he was locked-out of the DOER solar rebate but will be moving with solar anyway.

**Motion to adjourn**

Upon a motion duly made by Mr. Ryan and seconded by Ms. Burns, it was unanimously approved to adjourn the meeting at 0858.