



**REGULAR MEETING  
HINGHAM MUNICIPAL LIGHT BOARD  
September 28, 2021**

Zoom Meeting

<https://us02web.zoom.us/j/88625414602?pwd=ODBKVVY1UFNZbkINZIFIZw5Q05GUT09>

**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 0730 on Tuesday, September 28, 2021, via Zoom.

**Present:**

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

**Approval of Meeting Minutes**

Mr. Ryan opened the Board meeting. He asked for comments to the draft minutes from the meeting on August 31, 2021. Ms. Burns requested grammatical and stylistic changes. Mr. Freeman requested that his opinion on net metering compensation rates and studies be included.

**Motion:** Ms. Burns moved to accept the minutes for the August 31, 2021 meeting with the changes requested. Mr. Freeman seconded the motion. Said minutes were unanimously approved.

**Creating a Plan to get HMLP to Zero Carbon Power Supply Over a Period of Time.**

Ms. Burns informed the Board and the GM that she had reviewed meeting minutes covering the past 5 years on the topic. She then proceeded to summarize what was previously discussed about RECs, carbon-free planning and renewable investment(s). Ms. Burns noted that there was a lot of discussion about RECs, but no decision(s) on a plan for how to get beyond RECs. Ms. Burns then set forth the following Proposal regarding the types of information that might be needed to create such a plan:

- \* ask ENE to present to the Board the state of existing contracts and to project HMLP's way to carbon-free power without relying on RECs, including projections on the future REC market;
- \* repeat the study regarding changes in demand from electrification to go to 100%, if needed;
- \* learn more about battery technology to plan for increased distributed energy generation in town. For example, large solar canopies with batteries may allow for the distribution of solar energy at other times;
- \* ask the GM to develop a plan that: (i) meets 100% of the requirements with RECs for now, but also provides a schedule for moving away from RECs to carbon-free contracts. This probably includes projections on the renewable market; (ii) looks at the growth of local distributed energy resources; (iii) includes projections on the need for batteries to balance the growth of local distributed energy, or the use of intermittent energy brought to market; and (iv) provides recommendations for using net earnings from REC Arbitrage to achieve plan goals, such as for incentives.
- \* revisit the plan once a year.

Ms. Burns asked the Board and General Manager for comments and suggestions regarding all of this. Mr. Ryan indicated that any plan should start fresh with the new General Manager. He suggested that Mr. Morahan take Ms. Burns' Proposal and have discussions with ENE or others on a path forward. Mr. Morahan agreed to do this, and to provide a framework for the next meeting.

Mr. Ryan also raised some concerns that batteries might not be cost effective or clean.

Mr. Freeman added the following to the discussion. First, he pointed out that the City of Cambridge's renewable energy strategy considers the importance of buying RECs that support the construction of renewable energy. He also stated that corporations are meeting their renewable energy goals by looking outside of their regions for cheaper renewable energy. He then advocated that ENE and all MLPs take a proactive approach in getting access to offshore wind power. Ms. Burns and Mr. Freeman discussed this further. Mr. Freeman opined that investments in renewable energy should create renewable energy. Ms. Burns commented that she does not know enough about the impact of large distributed energy on the grid and if net metering rate provides enough incentive. Ms. Burns further commented that, once it is decided what is good for the grid, they can look into what incentives work.

Ms. Burns asked Mr. Morahan for his thoughts. Mr. Morahan commented that the Proposal is a good framework. He added that they need to look at how much the system can absorb and where it makes sense to have batteries. Ms. Burns asked whether the Board agreed that the GM should develop "something like [the Proposal]." Mr. Ryan referred to Mr. Morahan. Mr. Morahan indicated agreement.

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

Mr. Morahan stated that: (i) a webinar explaining the program is scheduled for Tuesday October 19, 2021; (ii) 15 consultations took place in September; (iii) 2 rebates are being processed; and (iv) flyers about the program are in the bills.

Mr. Ryan asked whether there are any upcoming changes to the Building Code being proposed, noting his belief that action on the Building Code is needed, along with incentives, to encourage a move to heat pumps. Ms. Burns stated that there is a law called the Next Generation Roadmap Act, which will create a structure for developing a net zero Building Code by the end of 2022. This will be available for voluntary adoption by towns, and perhaps mandatory adoption in the future. She further commented, given the timing and magnitude of discussions involved, that it will be too late to consider this for the 2023 Hingham Town Meeting. Mr. Ryan then asked about options beyond the Building Code. Ms. Burns explained that some towns have sought to limit new gas hook-ups. However, the Attorney General made a finding that towns do not have a right to do that on their own. Towns that adopted such bylaws are now seeking Special Legislation to act. Additionally, there is a Bill in the Legislature to allow all towns to act. If Hingham wanted to go that route, it could write the same kind of bylaw and file for Special Legislation to authorize it. Ms. Burns further noted that Hingham has already adopted the Stretch Code to become a green community.

Mr. Ryan reiterated his opinion that, until there is a push on the Building Code, it will be difficult to get heat pumps installed. Ms. Burns noted that she is impressed with the fact that HMLP had 15 inquiries about heat pumps so far. Mr. Morahan added that, based on information from Abode, people are looking to use heat pumps for cooling systems and that more education is needed.

### **MassCEC Grant**

Mr. Morahan stated that there have been 2 meetings. Green Town Labs is coordinating the program among Taunton, Hingham, and Reading. The radiator units are mini-splits with a radiator on the interior and only one head. The units are equipped with a salt that goes to phase change allowing energy storage. Another meeting will be held soon. Grant applications are due mid-November. Mr. Morahan is waiting to hear from the Hingham Housing Authority whether the radiator-type units work for the spaces targeted.

Ms. Burns noted that the Affordable Housing Trust may be interested in this for the Lincoln School Apartments. She connected them with Beacon Climate. Mr. Morahan indicated that he would keep an eye on this.

### **Braintree, Our Investment in Their Plants**

Mr. Ryan indicated that HMLP had provided some information. Mr. Morahan stated that HMLP is conducting additional analysis.

Mr. Ryan noted that, if they are confident that the same rate regime will stay in effect going forward, HMLP may need more backup because it is profitable and can fill-in for the renewables at least in the short run. Mr. Morahan agreed. Ms. Burns asked whether Mr. Ryan was suggesting that there is a need to buy more capacity. Mr. Ryan explained that he is asking whether a replacement for the old plant is needed, and if that makes economic sense and provides a fill-in benefit for bad weather. It was noted that the newer plant is dual fuel and gives HMLP 5 MWs of benefit when needed.

Ms. Burns commented that it is unclear how much capacity HMLP needs and if nuclear is available. Mr. Ryan and Ms. Burns noted that MIT is advancing research on fusion reactors.

### **Solar Canopy at 31 Bare Cove Using REC Revenue**

Mr. Morahan advised that 3 developers are looking at this project. HMLP anticipates getting 300 kW of solar on the Site.

Mr. Girardi presented the Board with a schematic showing the project. The front segment has a canopy over the parking lots. The roof has solar panels. The new system will provide 250 kW. This 250 kW, along with the existing 40 kW that HMLP has, brings HMLP pretty much off grid. The project includes car charging ports.

The 3 developers involved are Boston Solar, Blue Cell and My Generation Energy. Palmer Capital from Cohasset is also taking a look. All of the developers are well known and have engineering departments.

Speaking to Ms. Burns' concerns as previously raised, Mr. Girardi added that HMLP will be performing a hosting capacity on each feeder, which will address how much solar and renewables can be hosted. This needs to be done before addressing substation modifications and protection systems. Ms. Burns asked whether HMLP will be buying the energy at the negotiated rate. Mr. Morahan explained that HMLP would own the system. Mr. Ryan added that this is efficient power because it avoids transmission charges. He further added that, once HMLP can determine their capacity to absorb solar and on what circuits, they will need to do a serious evaluation of all of the open sites that might work. Mr. Girardi added that he has already contacted a potential engineer to talk about hosting capacity.

Mr. Morahan asked the Board whether RECs funds should be used to pay for this system which is estimated to cost between \$900K to \$1M. The Board agreed that this should be done. However, Mr. Ryan added that, if the power is cheap enough, they might go beyond this and find good sites in the system to handle this. In turn, Ms. Burns commented that, when they look at the school sites for solar capacity, they may need to look at owning the facilities themselves or kicking in funds to make the installations doable. Mr. Ryan asked Mr. Morahan to look into the pros and cons of owning this. Mr. Morahan agreed to do that.

### **Website**

Mr. Morahan stated that HMLP has hired a new company to work on the website. They are updating information. He anticipates having the new website available in the beginning of 2022. The new website will be phone friendly.

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

Mr. Morahan noted that he has finalized the job description for this position and that it has been posted.

### **Open Public Meeting Law Training**

There has been one training session so far. Mr. Morahan and Mr. Fahey will attend the second training session on September 29, 2021. The sessions are not being recorded.

Ms. Burns explained some information she learned during the session she attended: (i) that documents shared for and during meetings should be noted in the minutes; and (ii) that new Board Members (and maybe employees) are required (a) to be presented with the AG's Guide on the Open Public Meetings Law and copies of public complaints, (b) to complete a form certifying receipt of the AG's materials, and (c) to file that form with the Town Clerk. She noted that she was not sure if HMLP had this system in place.

Mr. Morahan noted that he maintains documents for meetings. He also indicated that he found the AG document referred to by Ms. Burns and will handle what is required.

### **Transmission Project Financial Model/Letter to the Select Board**

Mr. Morahan stated that HMLP and ENE are working on a financial model. There is an HMLP open house on October 18, 2021, and HMLP is hoping to have the financial model available for that.

### **Joint Meeting With Hull Light Board to discuss off shore wind turbines in Hull**

Ms. Burns stated that the Hull Light Board recently voted to look into replacing 1 of its 2 wind turbines. They are considering an offshore location. Other potential locations include Peddocks Island and Bumpkin Island. Ms. Burns mentioned to a Hull Light Board member that Hingham might make this one of their concrete renewable energy investments. Hull is interested. She suggested the Boards meet.

There was further discussion about this.

**Motion:** Ms. Burns moved to schedule a meeting with the Hull Light Board. Mr. Ryan seconded said motion. The motion was unanimously approved.

**Transmission Project Financial Model/Letter to the Select Board (Supplemental Discussion)**

Mr. Morahan asked to return to Agenda Item #11 (Transmission Project Financial Model/Letter to Select Board). He shared that he had drafted a letter to the Hingham Select Board providing an update on the transmission line and substation project. He asked if Mr. Ryan liked the content of the draft and whether he wanted the letter to come from him, as Board Chairman. It was agreed that it should come from the Chair.

Mr. Ryan agreed to work with Mr. Morahan on finalizing the Letter to the Select Board.

**Financials: (a) 3 year summary and YTD; (b) 2021 budget update**

Mr. Morahan opened this discussion by noting that: (i) 2021 sales revenue was higher than in 2020 and 2019; (ii) expenses were in line given the increase in sales; (iii) net income in July was \$571K; and (iv) \$269K is being added per month to depreciation.

Ms. Burns asked Mr. Morahan to screen-share the financial information being discussed. [This was done.]

Mr. Morahan reiterated that net income for the month was \$571K, which is lower than 2020 but there were increases in monthly depreciation to help fund the transmission project. Sales and revenue were slightly higher. Expenses were in line. The depreciation fund is currently projected to be \$18.6 million at year end. NI was 1.1M year to date.

Mr. Ryan noted that HMLP's depreciation fund should temper future borrowing needs. Mr. Morahan added that the fund might also be used for an upcoming transformer and switch gear project(s). Mr. Ryan suggested that they might wait to see on how best to fund such projects. Ms. Burns stated that she is not familiar with how the depreciation fund has been used in the past and suggested that Mr. Morahan develop a Capital Plan. Mr. Morahan noted that HMLP will have a Capital Plan this year. He further explained that the depreciation fund was/is used for HMLP's capital projects, which most recently included the purchase of a new hybrid bucket truck.

Mr. Morahan further noted Budgeted YTD revenues are up 8%, and energy supply expense is down 2%. HMLP is tracking for a 5% return for the year. Mr. Ryan noted that this 5%, along with the depreciation, is pretty significant.

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

Mr. Morahan provided the following updates:

**Battery Storage.** Went COD on July 30th. HMLP and Kruger agreed to split revenues from May, June and July. Net earnings on the battery YTD are about

\$320. Kruger still owes liquidated damages to HMLP and they are working on those numbers. HMLP will not be paying for the battery itself for another couple of months.

**Additional Transmission Line and New Substation.** Hoping to have first public meeting on October 18, 2021.

**Landfill.** Mr. Morahan spoke with John McDonough about this. A survey of the landfill still needs to be done as part of the post-closure permit process. Low spots also need to be filled. Given this, and given the problems in getting materials, the project will not start until the spring of 2022.

**EV Chargers.** Still waiting to hear from the State.

**Choice Connect.** 90% of the materials are up. However, delays in getting materials have pushed this out until January.

**Municipal Solar.** Ms. Burns spoke with Kathy Reilly. Ms. Reilly misunderstood the scope of the project, thinking it was for the whole Climate Action Plan. The misunderstanding has been cleared-up. Ms. Burns provided her with information to assist in developing the RFP.

### **Other Business**

Mr. Freeman announced that he is stepping down from the Board in mid-October because he is moving out-of-state. He thanked the Public, HMLP, and the Board for the experience. Mr. Morahan, along with Ms. Burns and Mr. Ryan, thanked Mr. Freeman for his service.

### **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. There were no comments.

### **Motion to adjourn**

Ms. Burns moved to adjourn the meeting. Mr. Freeman seconded the motion. The motion was unanimously approved. The meeting adjourned at approximately 0846.

**List of Documents Provided to Board Members In Preparation for the Meeting:**

Meeting Agenda

Draft Document entitled “How to develop a plan to reach 100% carbon-free supply,” prepared by Laura Burns

Draft letter from HMLP to the Hon. Hingham Select Board, re transmission line and substation project

Financials: HMLP Balance Sheet for the Seven Months Ending Saturday July 31, 2021

Financials: 3-Year Summary and YTD

Financials: “for the seven months ending Saturday, July 31, 2021”

**List of Documents Presented During the Zoom Meeting:**

Schematic re Solar Canopy, 31 Bare Cove

Financials: 3-Year Summary and YTD