



HINGHAM MUNICIPAL LIGHTING PLANT

350 Lincoln Street, Suite 110
Hingham, MA 02043-1585
(781) 749-0134 FAX (781) 749-1396
www.hmlp.com

General Manager
Paul G. Heanue
pheanue@hmlp.com

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

A regular meeting of the Board of Commissioners of the Hingham Municipal Light Plant (HMLP) was called to order at 0730 on Tuesday, January 29th, 2015 at the Hingham Municipal Light Offices at 350 Lincoln Street, Hingham, Massachusetts.

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

Approval of Previous Meeting Minutes, October 6 and November 17, 2015:

There was a discussion regarding meeting minutes in general and what level of detail is required. HMLP's attorney, Deirdre Lawrence, had advised that meeting minutes do not have to include transcribed level detail but should have enough detail to allow anyone not in attendance to understand the complete nature of all discussed issues. All versions of meeting minutes should remain on file in the event of a public information request as Massachusetts law requires all versions of the minutes be public record. If a request for meeting minutes is made all iterations must be supplied. The final approved version is all that is necessary to be posted on the web site. A review of the October 6th minutes and 3 versions of them took place. Version I/Alt of the October 6th minutes is generally fine but the Board decided more details about HMLP's rebate credit policy for solar installations was appropriate. The General Manager said he would include those details and submit those revised minutes to the Board for consideration at the next meeting.

On a motion duly made and seconded it was unanimously voted to approve the November 17th meeting minutes.

HMLP is Going Green, extending rebate credits:

The General Manager reviewed the introduction of its energy efficiency program, HMLP is Going Green, and the decision which was made by the Board at its inception that all rebates, except for appliance purchases, would come in the form of a rebate credit on the customer of record's bill. The General Manager described how a commercial customer had performed extensive outdoor lighting retrofits which earned them a total of \$20,000 in rebate credits for their five accounts. The property was sold one month after they became eligible for the rebate credits with virtually no credits applied. The General Manager wanted to discuss this instance with the Board to make sure they were comfortable with what he intended to tell the former customer. According to what HMLP has done in the past, customers who have moved before "using up" their rebate credits did not receive a check for the difference or have the rebate credit extended to the new customer. A discussion ensued over the details of this occurrence and the program's history and philosophy. It was suggested that the new owner receive the credit as an act of good faith and also to encourage energy efficiency. This and the subject of cash rebates vs credits on the bill were further discussed. Following that discussion there was a consensus that the rebates would continue to be applied only in the form of credit on the customer of record's bill who did the work and spent the money. The General Manager offered that there was no need for a vote to continue what we have been doing, re. a rebate credit for the customer of record. There was also a discussion and agreement that in the future a credit for exterior lighting retrofits include only costs related to the fixtures and bulbs and not possible field excavation work as that was not consistent with the program's philosophy.

HMLP financing Tesla type batteries:

The matter of a request of HMLP to purchase and sell batteries to solar customers for the purpose of storing their unused electricity was addressed. The General Manager described how a request was made by those same customers a couple years ago for HMLP to finance customer purchases of solar arrays. Back then he had consulted with Attorney Lawrence and she reported back it was not permissible. A meeting was then held with those making the request, the HMLP Board Chair and the General Manager. The upshot of that meeting was HMLP later voted, at the request of those customers who made the inquiry, to raise the cap on the solar rebate credit from \$3000 to \$5000. Based on the earlier inquiry with a slight variation the General Manager described that he did not feel it was permissible to purchase and sell batteries to solar customers but decided to check with counsel once again. According to Attorney Lawrence that sort of practice is not allowed for municipal lighting plants in Massachusetts. It was offered that Attorney Lawrence's Memo was a narrow read of the law and that it was possible to do this sort of thing if the Board wanted. The group discussed the possibility of imposing liens on the properties of customers who received financial assistance to purchase this type thing (not allowed or enforceable), how and why it is permissible for an investor owned utility to do this but not a municipal lighting plant (private shareholder money at risk vs government funds) and should the lighting plant encourage customers to purchase their own batteries by creating a rate class for those who want to make this type purchase. The General Manager reiterated that according to counsel it, purchasing and reselling or financing this type thing is not permissible but if the lighting plant wanted to create a special rate class it could possibly do so. Finally the matter of how to respond to the person who made the inquiry and should HMLP make Attorney Lawrence's Memo available to them. It was pointed out that it is classified as "Confidential" and that if the Memo gets distributed that "protection" no longer can be applied. It was discussed that status could be waived if it were so decided. There was no consensus it, the confidentiality, should be waived.

Financials:

There was a review and comparison of Income Statements for the periods ending November 30, 2015 and November 30, 2014. In November 2015 HMLP's Total Operating Revenues were \$2.164m and in 2014 were \$2.4m. In 2015 Total Operating Expenses were \$1.97m and in 2014 were \$1.96m. Net income for November 2015 was \$198.8k and for 2014 was \$449.4k. YTD 2015 was \$4.2m and 2014 was \$3.6m. It was noted that in November 2015 there were 14.1m kWh sold and in 2014 there were 15.2m. The PCA in 2015 was \$.01/kwh residential and \$.015 commercial. For 2014 it was \$.015 and \$.02 respectively.

There was a discussion about how much had been spent on our new operations center: \$6.7m.

Updates: New Building and AMR

The target date for moving into our new operations center is April 18, 2016 with "substantial completion" still being projected as April 1, 2016. The lease at 350 Lincoln St. ends on June 30, 2016. There was a discussion and concurrence that we should not move into the new facility until all punch list items are complete. The issue of condensation on the new windows has been resolved and it is being suggested by the general contractor and his sub-contractor that it, condensation, was as a result of excessive moisture in the air due to the installation and taping of drywall and the windows' installation not being completed. If the windows needing replacing it came with a price tag of over \$350k.

The installation of AMR meters is 50% complete. There was a discussion of the Facebook page Hingham Pin Board and comments posted on it regarding possible health issues and the new meters.

Rate Study:

The General Manager reported that the person doing the rate study will attend our next meeting to explain the methodology he will use and to discuss the issues that were recently raised as needing/hoping to be addressed in his efforts. One of those issues is how demand response should be considered when constructing new rates. The General Manager and Board Secretary discussed the days ago Supreme Court ruling which upheld demand response as a way to mitigate peak consumption and possible implications for it, demand response, in the future. The General Manager described how years ago HMLP had worked with a vendor to introduce a demand response program in Hingham with very little success. He went on to describe how just months ago HMLP had signed on with the firm Tangent Energy to give demand response another try. Another issue raised last week to

possibly be addressed in the rate study is the impact of solar arrays and how to quantify its impact. The General Manager talked about a study done by ENE in December 2015 at his request which considered the impact of various levels of solar energy for the HMLP system both on a price and capacity basis. He committed to having ENE folks at the next meeting to explain their findings. The General Manager described having signed up for an APPA conference in February on how to properly include the value of distributed generation when devising and calculating a system's net metering policy.

Solar power and community solar efforts in HMLP territory:

In regards to the landfill project, the General Manager reported that at this point Ameresco is the only vendor HMLP has talked to as they reached out to HMLP. Additionally have had success in getting systems permitted and built for other municipal lighting plants in MA. There was a discussion about whether HMLP should seek additional proposals and whether we should own and run the solar array should one be built at the landfill. The General Manager summarized where the light plant stood with getting permission from the Town to use the landfill and that there could be resistance from abutters. He related that in Attorney Lawrence's prior experiences in similar situations she found that no Town Meeting Warrant Article and vote from a Town Meeting was required for what we were proposing. The Town's Real Estate Attorney was consulted and she agreed with Attorney Lawrence. The Town's General Counsel disagreed so language for a Warrant Article to be voted on at this spring's Town Meeting was drafted and agreed to by both attorneys. As to the solar array at our new operations center, our architect was investigating whether by installing additional panels on the roof and a canopy type array in the parking lot our facility could be the first self-sustaining commercial property in the state.

Other Business:

- a. The presented warrants were signed
- b. The correspondence and details around HMLP's possibly being able to take advantage of a MassSave program to purchase LED light bulbs strictly for commercial use for \$1 per bulb was reviewed.

Executive Session:

There was nothing noted or considered in an executive session so upon a motion duly made and seconded, it was unanimously approved to adjourn the meeting at 0914.

