



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 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 0736 on Tuesday, June 27, 2017 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 Freeman - Secretary, Paul G. Heanue - General Manager, Tim Hebert- Energy New England, Jim Goulet and Tracey Vaughan- Goulet, Salvidio and Associates, P.C.

Energy New England: The General Manager said Mr. Tim Hebert from ENE is here to explain the benefits of implementing a Distributed Generation Program. Mr. Hebert said that HMLP's capacity and transmission charges continue to rise and in 2018 they will be the highest so this program may prove to be financially beneficial. Capacity market auctions are held once a year each February. The resulting auction price applies for the 12 month June through May period that begins 3 years and 4 months after the auction. This would allow HMLP to defer the cost for next year and the benefits will come next June until the following May. You would pay the rental cost now and the capacity benefits will come next June till the following May.

ENE can notify HMLP when you should expect to reach potential peak usages in time to allow us to take steps to reduce load. By reducing load we will lower our capacity and transmission charges. This Distributed Generation Program will provide HMLP with access, via a short-term rental (2-3 months), to a 2 MW diesel generating unit (the fuel will be supplied by the vendor) which is housed in a tractor trailer. This unit can be operated remotely and the plan is for it to be used only during peak load capacity hours (run time is typically between 70 – 80 hours a month). Your peak capability is usually when people get home from work and between shifts in the late afternoon. You would pay the rental cost now and the capacity benefits will come next June till the following May.

Originally there were regulatory environmental concerns but we learned because it is a short-term project there is no air permit required. However, there can still be nuisance complaints for noise. Hingham has a fairly strict anti-noise bylaw. After paying for fuel and rental charges the net savings to HMLP will likely be in the \$225k range.

The General Manager discussed potential locations of the trailer which included the transfer station. An alternative to the transfer station would be to put it in the Industrial Park on land we have rights to use. The General Manager is working with legal to ascertain our ability to use this location. We are also checking into other locations in the Industrial Park.

Audit: Mr. Jim Goulet and Ms. Tracey Vaughan, from Goulet, Salvidio & Associates, P.C. attended the meeting and presented the results of the 2016 audit. The pension updates that were performed by the actuary for the Town of Hingham had to be done a second time and that duplicated work was the cause for the delay in this audit report. The audit report was very similar and consistent to previous years and HMLP looks very strong financially. There were no written recommendations for the financial portion of the audit. There was a recommendation in the Internal Control Report to create an Accounting Manual for the future and continuity should someone leave HMLP unexpectedly.

Financials:

The General Manager distributed a handout displaying HMLP's financials for April. Net income for the month was \$585k and kWh sales for April, 15.3m kWh, are similar to 2016. The net income year to date is \$1.2M and power costs for April were \$1.12M. The rate changes approved at the last meeting will take effect with the July invoices.

Private REC Purchase Program: The Secretary said he had expected that Mr. Turner Bledsoe would attend the meeting to relay information about a program which would give Hingham residents the ability to purchase RECs. The Chairman asked that Mr. Bledsoe send a specific request and information on this program.

A discussion ensued over whether HMLP should retire or sell RECs it has possession of. The Secretary stated that if you sell RECs you cannot claim those attributes are renewable. He has consulted with some companies, re. buying and selling or retiring RECs. He requested an account of the companies and the REC's that are in place with HMLP and what we have financially realized by selling them. The Board then had a lengthy discussion on this topic, selling or retiring RECs.

Personnel: The General Manager said he hired a customer service representative (a customer service rep had said she was going to retire in August), a person who will potentially replace the Purchasing Manager who announced he will be retiring before the next winter and is now looking to hire 2 linemen.

Approval of Meeting Minutes:

The meeting minutes from the March 14, 2017 were presented for approval. The Secretary submitted some changes to the minutes.

MOTION

A motion was duly made, seconded and it was unanimously voted to approve the amended minutes of the March 14, 2017 meeting. **PASSED**

The meeting minutes from the April 24, 2017 were presented for approval.

MOTION

A motion was duly made, seconded and it was unanimously voted to approve the minutes of the April 24, 2017 meeting. **PASSED**

At 0950 a motion was duly made, seconded and it was unanimously voted to go into Executive Session. **PASSED**

RETURNED TO PUBLIC SESSION (1005)

Motion to Adjourn the Regular Meeting

On a motion duly made and seconded it was unanimously voted to adjourn the meeting at 1010.

